



**MOBILEHOME RENT REVIEW COMMISSION
AGENDA (SPECIAL MEETING)**

TUESDAY, MAY 31, 2011
6:00 P.M.

CITY COUNCIL CHAMBERS
276 FOURTH AVENUE

CALL TO ORDER/ROLL CALL

Steve Epsten _____, Rudy Gonzalez _____, Edmond LaPierre _____, Sam Longanecker _____, Cesar Padilla _____, Ramon Riesgo _____, Mitch Thompson _____.

PUBLIC MEETING

1. APPROVAL OF MINUTES

- ❖ 4/14/11, Attachment 1.
- ❖ 4/27/11, Attachment 2.

2. PROPOSED AMENDMENTS TO THE RENT REVIEW ORDINANCE (CVMC 9.50)

Staff will provide an overview of proposed changes to Chula Vista Municipal Code 9.50, based on staff research and the Commission meeting of April 14th. The Commission will adopt a resolution advising Council to act on the proposed Ordinance Amendments, as follows:

RESOLUTION OF THE CHULA VISTA MOBILEHOME RENT REVIEW COMMISSION
RECOMMENDING THAT THE CITY COUNCIL APPROVE AMENDMENTS TO CHULA VISTA
MUNICIPAL CODE 9.50 (THE CITY'S MOBILEHOME SPACE - RENT REVIEW ORDINANCE)

3. AMENDMENTS TO THE "CLOSURE" ORDINANCE (CVMC 9.40)

Staff will provide an overview of potential changes to Chula Vista Municipal Code 9.40, based on staff research and previous outreach efforts. This matter is presented only as an information item to the Commission.

4. STAFF COMMENTS

- ❖ Update on Brentwood MHP Investors, LLP v. City of Chula Vista, San Diego Superior Court Case No. 37-2010-00079506-CU-WM-SC

5. MEMBERS COMMENTS

6. PUBLIC COMMENTS

Opportunity for members of the public to speak to the Mobilehome Rent Review Commission on any subject matter within the Commission's jurisdiction but not an item on today's agenda. Each speaker's presentation may not exceed three minutes.

7. ADJOURNMENT – To the regularly scheduled meeting of July 28, 2011.

Dated: 5/26/11

COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT (ADA)

The City of Chula Vista, in complying with the Americans with Disabilities Act (ADA), request individuals who require special accommodations to access, attend, and/or participate in a City meeting, activity, or service request such accommodation at least forty eight hours in advance for meetings and five days for scheduled services and activities. Please contact Redevelopment & Housing for specific information at (619) 691-5047 or Telecommunications Devices for the Deaf (TDD) at (619) 585-5647. California Relay Service is also available for the hearing impaired.

**CITY OF CHULA VISTA
DRAFT MINUTES
MOBILEHOME RENT REVIEW COMMISSION**

Thursday, April 14, 2011

6:00 P.M. CLOSED SESSION

6:30 P.M. TIME CERTAIN PUBLIC START

**276 FOURTH AVENUE
PUBLIC SERVICES NORTH, BUILDING 300
HUMAN RESOURCE TRAINING ROOM**

CALL TO ORDER/ROLL CALL – 6:02 P.M.

PRESENT: Steve Epstein, Pat LaPierre, Sam Longanecker, Cesar Padilla, Ramon Riesgo, Mitch Thompson

ABSENT: Rudy Gonzalez (excused)

STAFF: Stacey Kurz, Senior Project Coordinator
Mandy Mills, Housing Manager
Simon Silva, City Attorney

Chair Padilla announced that the meeting would now be closed to the public until 6:30 when it would be reopened to resume with the agenda. The closed session item was as follows:

1. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a)

❖ Brentwood MHP Investors, LLP v. City of Chula Vista, San Diego Superior Court Case No. 37-2010-00079506-CU-WM-SC

Members of the public were asked to join the Commission and at 6:54 pm Chair Padilla announced the reopening of the meeting. Attorney Silva indicated that pursuant to the Brown Act, the Commission is able to meet in closed session for ongoing litigation; however there were no reportable items from the closed session item. He further indicated that the Writ Hearing was set for the South County Court Facility (H Street and Third Avenue in Chula Vista) in Judge Cannon's Department #4 on April 22nd at 8:30 a.m.

2. APPROVAL OF MINUTES

January 20, 2011

Member Riesgo made a motion to approve the minutes. Member Longanecker seconded the motion. All members (4-0) agreed to the approval of the minutes.

3. POTENTIAL AMENDMENTS TO THE RENT REVIEW ORDINANCE

Staff Kurz provided a presentation; see Exhibit 1, of proposed changes and updates to the Mobilehome Rent Review ordinance, Chapter 9.50 of the City's Municipal Code (It should be noted that 21 residents and 9 park owners were in attendance for this item). She indicated that these proposed amendments were based on referrals provided by the Commission, clarifications of the ordinance that staff has noted over the past years since the ordinance was last updated in 2002 and the need to establish a permanent funding source for rent review administration as follows:

Administrative Fee – This item is driving the urgency of the update process due to the continued funding cuts to housing from state and federal sources and the potential for the funds currently being used to administer rent review from the Housing Authority, the only eligible funding source other than general fund monies. This would be a new section of Chapter 9.50 establishing a permanent fund for staff time and other costs (i.e. hiring of experts for fair return analysis and MAI appraisers) associated

with the administration of the rent review ordinance. The fee would be assessed annually, and approved by City Council, on all mobilehome resident spaces qualifying for protection under CVMC 9.50.

Clarifying Language-

"Voluntary" Meeting - Appendix One provides a sample Notice of Rent Increase including resident rights under the municipal code and identifies a "Voluntary Meeting". The term "Voluntary" is misleading as a resident must attend the meeting in order to be eligible to petition a rent increase and therefore staff recommends updating Appendix One to reference a "Mandatory Meeting".

Effective Date of Increase - Based on a referral after the Brentwood hearing, the ordinance addresses the ability for the MHRRC to set a date other than the park owner's legally noticed date in the Notice of Rent Increase. The amendment would add language to clarify that the MHRRC only has the ability to set a date different than that in the Notice of Rent Increase if the Commission makes a finding that the park owner was non-responsive to the hearing process.

Change of Ownership - The ordinance provides the MHRRC a menu of factors that may be considered when reviewing proposed rent increases for existing/incumbent residents and change of ownership cases. The MHRRC has historically only asked for one factor, comparable rents, for change of ownership cases, primarily allowing the market to influence increases. The ordinance amendment therefore provides clarity to differentiate between existing resident increases and change of ownership.

Staff has not yet determined a single recommendation in this area, but is providing a range of options that could be considered in revising the ordinance in order to solicit discussion this evening. She further indicated that the mechanics and logistics were not solidified, but at this point staff would not support a fee that was split evenly between owners and residents, since staff acknowledges rent control only benefits the residents. Staff Kurz provided a range of options as seen in slide #7 from a fully controlled environment to a decontrolled one. She pointed out that a market driven system would really only be the last two options where the right to petition was removed on change of ownership, however staff would most likely recommend one of the following:

Annual maximum caps - The MHRRC would set annual caps (based upon comparable market space rents) for rent increases upon change of ownership, thereby eliminating rent review upon change of ownership for parks setting rents below the caps.

Temporary decontrol - Upon change of ownership the ability to petition increases would be removed, allowing the market to drive resale rents. Once a new resident was in place and had a qualifying lease under CVMC 9.50, they would again qualify for rent review and the annual permissive increase.

Staff Kurz concluded the presentation indicating that after soliciting discussion tonight, staff would begin drafting amendment language, hold a public meeting, return to the Commission May 19th (later postponed until May 31st) at 6 p.m. in Council Chambers and take forward the amendments to Council in June. She indicated that the Commission would be asked to provide a recommendation to City Council, but ultimately the decision would be Council's.

Chair Padilla opened the discussion to the Commission for clarifying questions of staff.

Chair Padilla asked whether the MHRRC will approve what moves forward to Council. Staff Kurz replied indicating that Council will receive notification in the staff report of the MHRRC advisory recommendation. He further asked whom would determine how the fee was spent and how you would account for variances. Staff Kurz and Mills provided responses indicating that there would be coordination between staff and the MHRRC on the hiring of experts and spending of money for those purposes, the City would annually determine the expected administrative fees, and there would have to be a contingency built into this to consider those more expensive years.

Mobilehome Rent Review Commission

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Member Epstein asked if litigation occurred and the City had to pay out of the pot of money in a particular year how that would affect the administrative fees. Attorney Silva replied indicating he believes litigative expenses would be outside of this fee, sources such as insurance and other monies would be used.

Member Riesgo asked whether the fee would be split between park owner and resident. Staff Kurz indicated that at this point the logistics of the fee had not been decided, but staff would not be recommending a 50/50 split such as in Oceanside, since staff acknowledges that the rent review ordinance favors residents only.

Member Thompson asked for further detail on the funding that has been used in the past for this administration. Staff Mills responded, currently we are using Housing Authority money from Bond Admin Fee Reserves. There is currently a surplus in fees collected versus the cost to monitor.

Member Thompson asked whether since this is a fee, it also should be directed for the intended monitoring purpose and therefore would this also make this source ineligible. *Staff Mills provided the following response to Member Thompson, after the meeting via email: The fee is an agreed upon fee in negotiations, as opposed to a Building Permit Fee or an Impact Fee, therefore not restricted. In the past few years the City has been able to charge project and monitoring costs to funds such as Low/Mod or HOME, therefore a small reserve was growing annually. With the definite cuts to CDBG and HOME, and probable caps on Low/Mod Admin, those Bond Admin Fees will be critical to cover mandatory monitoring costs. Therefore, we need to find a way to minimize and cover mobilehome expenses.*

Staff Mills further indicated that of the other sources the City receives for Housing such as Redevelopment Low/Mod funds and HUD (CDBG and HOME) federal grants, they have higher regulations, and therefore we have no other sources other than Housing Authority funds. In addition, over the years various sources were used and have been challenged as to eligibility.

Member Longanecker asked if a fee is collected could it be used for other purposes. Staff Kurz replied indicating that an Administrative fee would only be used for the purposes as identified in the ordinance. Attorney Silva further indicated that under the Government Code it would have to be used for the purposes collected.

Chair Padilla invited anyone interested in speaking on this item to submit a speaker slip and the following members of the public spoke:

Steve Molski, resident of Terry's and COMOCAL representative – Mr. Molski indicated he was not opposed to the fee, however was opposed to any form of decontrol since this would allow no maximum rents.

Randy Terry, park owner – Mr. Terry supported decontrol of the parks on change of ownership.

John Baldwin, Bayscene owner – Mr. Baldwin indicated that he is also past president of the City of San Diego Mobilehome Commission and that they have no rent control and referenced the County where they also have no rent control. He further indicated that the Chula Vista system has failed and Jade Bay was the example of why.

Irene Bourke, resident of Granada – Ms. Bourke provided financial data regarding her calculations of income to park owners and expressed her concerns about utility increases and other expenses that mobilehome residents must take care of such as maintenance and taxes. She also indicated that residents have responsibilities far beyond those living in apartments, such as the responsibility for the estate of owners to continue paying rent even after a death of the occupant and that after 3 months of non-payment the park owners take possession of the coach. She expressed concerns of the administrative fee increasing over the years.

Penny Vaughn, President of Chula Vista Mobilehome Residents Association and GSMOL representative – Ms. Vaughn asked if the Statute of Limitations would become an issue for park owners to challenge

changes to the ordinance within the first two years? Attorney Silva provided a response indicating that you can always challenge the unconstitutionality of a portion of the ordinance.

Virginia Jensen, park owner – Ms. Jensen disputed the testimony of Ms. Bourke indicating that the financial figures provided were inflated and did not take into consideration expenses and liability. She further clarified that the park owner does not always take possession of a vacant unit within 90 days and they work with the public administrator to sell the units. She indicated they currently have 11 vacant spots in a park and this is a lot. She indicated parks are starting to look at maintenance issues of older parks and the possibility of converting to family parks.

Jim Matney, resident of Chula Vista MH Park – Mr. Matney expressed his concern that this topic is a predictable outcome of the stakeholder group he participated in last year, indicating that the issue of decontrol is exactly what park owners requested.

Daniel Cacho, park owner – Mr. Cacho indicated that the charge of the Commission is to stay fair and that there are consequences of the Commission actions. He further indicated that park owners continue to have increased costs and have received little to no CPI increases in the past few years. He concluded indicating that some of his residents live a very nice lifestyle and have other properties but still benefit from rent control in his park.

Nap Sellers, Property Manager of Mountain View – Mr. Sellers suggested that the City look into litigation that took place in the City of San Diego regarding a rental fee.

Chair Padilla closed the public portion of the agenda item and asked for Commission discussion.

Member Epstein asked whether staff intended to require a portion of the fee be paid by the park owner and indicated that he would be opposed to that since rent control is to the benefit of the residents and last year in Oceanside he paid his fees and ended up getting no increase.

Chair Padilla suggested consideration of a percentage cap as oppose to the maximum dollar amount cap since those spaces that have low rents in low rent parks could be targeted by dealers over those parks with higher rents. He further expressed concern about total decontrol and park owners being unreasonable with rent increases.

Member Thompson expressed his desire to make changes of a “smart government” and be strategic in choices, such as looking at the incumbent annual permissive and ways to more accurately reflect market increases faced by park owners through the permissive rent increases. He suggested you might look at some type of matrix that looked at a variety of variables in addition to CPI, like utility costs. He also indicated on change of ownership we may want to consider looking at another option not presented whereby cases would set precedence for parks for a period like six months or developing caps that are formula based, looking at years since the unit last changed ownership to address the concerns that Chair Padilla expressed regarding low rents being targeted.

Member LaPierre indicated that he likes the City's system of looking at comparables and believes staff does a good job of surveying and providing recommendations to the Commission, whereby good parks are rewarded. He did not think the percentage cap approach on change of ownership would work but favors dollar caps at market.

Member Epstein commented that it is interesting the Commission believes staff does a good job at analyzing however when the Commission makes decisions they almost always lower staff recommendation. He further believes that sometimes Commissioners have a political agenda, particularly since they are appointed by Council members; however he believes we currently have a good Commission. He concluded indicating they have been down this road before, and a subcommittee consisting of all parties came to a resolution years ago on amendments, but when the item went before Council they backed down and favored residents.

Mobilehome Rent Review Commission

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Member LaPierre indicated that maybe staff should consider providing the Commission with a comparable range as oppose to a specific dollar amount and Staff Kurz replied indicating that as appropriate staff has done that as can be seen in the January 2011 hearings when they indicated a range for Rancho Bonita and a specific dollar recommendation for Palace Gardens.

Chair Padilla expressed that he found it interesting that the majority of the conversation and opposition to tonight's amendments were in regards to change of ownership that mainly affect persons not even present this evening, but the administrative fee that would have a direct and immediate effect to current residents was not being opposed or discussed. He further indicated that he believes this fee would increase over the years due to continued increases in administration fees, etc.

Member Epstein asked Ms. Vaughn if she believed park owners should pay a portion of the fee. Ms. Vaughn replied indicating that she did not, she believes the residents should pay 100% of the fee and she was not concerned about the cost.

Member Epstein expressed concerns over the collection of the fee and the ability to recoup funds paid to the City in cases where residents did not pay them and the assurance that the fee would be available for an entire year and not run out. Attorney Silva indicated he was not concerned about recouping funds as there are several ways to build remedies into the ordinance regarding. Staff Mills added that we would likely have to build a contingency into the fee in order to address annual fluctuations.

Chair Padilla suggested projecting the fee forward for a three year period with inflation in order to address some of these issues and provide residents with assurance that the fee would not continue to increase annually.

4. STAFF COMMENTS

Staff Mills indicated that just yesterday the City Manager's office indicated that there may be a desire to take forward a complete package of mobilehome updates including the Title 25 inspection program which was up for consideration to be returned to the State of California and the outstanding work that had been done on the mobilehome closure ordinance in 2007. She indicated she should know more in the next two weeks.

Staff Kurz reminded all Commission members of the Boards and Commission Recognition event for June 6, 2011.

5. MEMBER'S COMMENTS



None.


6. PUBLIC COMMUNICATIONS

None.

7. ADJOURNMENT – Meeting was adjourned at 8:37 p.m. to a special joint meeting of April 27, 2011 with the Housing Advisory Commission at 6 p.m. in the same location.

Recorder, Stacey Kurz

*Development Services
Department*






CVMC 9.50

Mobilehome Rent Review

Potential Amendments

4/14/11



*Development Services
Department*



CVMC 9.50

Ordinance Update Goals

- Take forward complete package
- Establish permanent fund for administration
- Clarify ambiguous language
- Address change of ownership language vs. practice



*Development Services
Department*



Administration
CVMC 9.50 Rent Review Ordinance

ISSUES

- Funds not currently available for experts
 - MAI Appraisers
 - Fair Return Analysis
- Staff time currently paid out of Housing Authority
 - Funding cuts

SOLUTION

- Establish assessment fee for all spaces under CVMC 9.50





*Development Services
Department*

Administration
Proposed Fee Assessment

- Fee based on annual administration fees
 - Staff ombudsman
 - Staff administration of CVMC 9.50
 - Mandatory tracking (addition to current CVMC 9.50)
 - Hiring of experts, MAI appraisers and fair return analysis



EXAMPLE

Annual average = \$75,000 per year
2,880 (appr. 80% of spaces) = \$26/year

*Development Services
Department*



CVMC 9.50
Rent Review Ordinance Clarifications

- "Voluntary" Meeting = "Mandatory" Meeting
- Effective date of increases
 - Legally noticed date unless Commission deems the park owner non-responsive


*Development Services
Department*

CVMC 9.50.077
Vacancies and Rents Upon Change of Mobilehome Ownership



- Setting precedent
 - Discussion at 1/20/11 meeting
- Intent of ordinance & Commission
 - Market driven

*Development Services
Department*


Change of Ownership Range of Options



- Control**
 - Must petition for any increase
- Tenant petitions / base increase on comparables
- Set annual maximum caps
- Temporary decontrol upon sale
 - New resident eligible under CVMC 9.50
- Decontrol**
 - Permanent decontrol upon sale

*Development Services
Department*

CVMC 9.50 Next Steps



- Commission input
- Draft ordinance amendments
- Public Meetings
 - May
- Bring to MHRRC on May 19th
- Council hearing in June

**CITY OF CHULA VISTA
DRAFT MINUTES
HOUSING ADVISORY COMMISSION & MOBILEHOME RENT REVIEW COMMISSION**

Wednesday, April 27, 2011
6:00 P.M.

276 FOURTH AVENUE
PUBLIC SERVICES NORTH, BUILDING 300
HUMAN RESOURCE TRAINING ROOM

CALL TO ORDER/ROLL CALL – 6:05 P.M.

PRESENT: HAC: Dina Chavez, Earl Jentz, Michael Lengyel, Mark Minas, Margie Reese
 MHRRC: Rudy Gonzalez, Sam Longanecker, Cesar Padilla, Ramon Riesgo, Mitch
 Thompson

ABSENT: HAC: Mauricio Torre (excused), Armida Martin Del Campo (unexcused)
 MHRRC: Steve Epsten (excused), Pat LaPierre (excused)

STAFF: Stacey Kurz, Senior Project Coordinator
 Mandy Mills, Housing Manager

1. APPROVAL OF MINUTES
January 26, 2011

Member Reese made a motion to approve the minutes. Member Lengyel seconded the motion. All members (4-0) agreed to the approval of the minutes.

2. HOUSING ELEMENT 2010 ANNUAL PROGRESS REPORT

Staff Kurz provided a presentation regarding the progress over the past 5 year period of the Housing Element, see Exhibit 1. Staff Kurz also referenced an Executive Summary, see Exhibit 2, in the agenda packet which highlights those housing related programs and development conducted during 2010.

Member Gonzalez inquired into the number of properties (4,380) that had been registered for the Residential Abandoned Properties Program (RAPP). Staff Kurz explained that City Code Enforcement staff administers the program which requires vacant bank owned properties to maintain and register the properties until they are resold, and the number reflects the total number of properties that have registered over the years, not currently registered. The program is mainly reactive and only for single family homes, so this does not accurately reflect the total number of foreclosures within the City since the program began in 2007, but certainly gives a glimpse of the foreclosure issue within our City over the past 3 years.

Member Thompson inquired into the funding for the Community Housing Improvement Program (CHIP) that is used and available since funding had been expended this year. Staff Kurz and Mill's further indicated that due to funding cuts for next year, the program may not be funded for several months and that the program will likely be revamped to better utilize any funds that are available in the future based on a variety of criteria and considerations.

Member Jentz asked for clarifications on the Palomar Apartment and Oxford Terrace properties. Staff Mills indicated that both of these properties were existing affordable rental complexes and refinanced without City assistance to rehabilitate, but in doing so are now restricted as low income rentals for an additional 55 years.

Mobilehome Rent Review Commission

Minutes

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Member Thompson inquired as to whether the Landings project included the garages in the cost basis since he has seen projects that have attempted to collect separate rent for the garages in other jurisdictions. Staff Mills indicated that we would not allow that in any of our affordable complexes.

3. STAFF COMMENTS

Staff Kurz announced that the court had postponed the Brentwood hearing originally scheduled for April 22nd until May 6, 2011 at 8:30 a.m. in Judge Cannon's Department 4 to take place at the South Bay Court house in Chula Vista. Staff Kurz reminded all Commission members of the Boards and Commission Recognition event for June 6, 2011.

Staff Mills indicated that staff has worked on several efforts over the past few years involving various mobilehome policies and it has now become desirable to take a complete package of mobilehome updates forward to Council. These include the 1) Title 25 inspection program which was up for consideration to be returned to the State of California, 2) closure ordinance update that had been worked on in 2007 and 2009, and 3) rent review ordinance updates currently being worked on in coordination with the Mobilehome Rent Review Commission. Staff Kurz added that the next meeting to discuss the rent review changes will be at the MHRRC on May 19th at 6 p.m. in City Council Chambers (meeting was later postponed until May 31st). Following this meeting we will have one public meeting that will be noticed and then present the complete package to Council on June 14th (meeting was later postponed until July 12th). Staff will provide a copy of these items to both Commissions when it is distributed to the Council.

4. MEMBER'S COMMENTS

Member Reese (HAC) expressed her concerns regarding rent control upon change of ownership and the issue that the seller of a home can agree to the incoming rent and take the right to negotiate away from the buyer. She believes that the buyer should always have the negotiating right. Members asked for clarification and Staff Kurz indicated that the ordinance does provide both parties the right to petition, but if one party agrees to the proposed rent, then it does take that right away to petition.

Member Thompson (MHRRC) indicated his concern and an area for staff to possibly further research regarding condominium complexes in the western portion of the City and a trend that he is beginning to see regarding their ability to get FHA financing due to vacancies and the high rate of investors purchases and renting these units.

5. PUBLIC COMMUNICATIONS

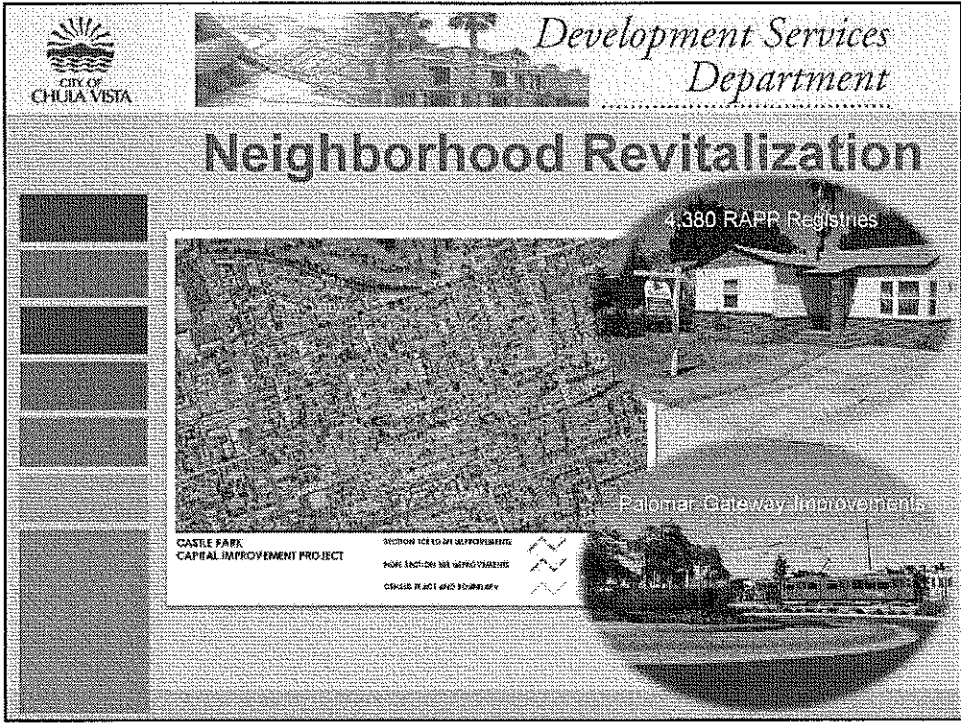
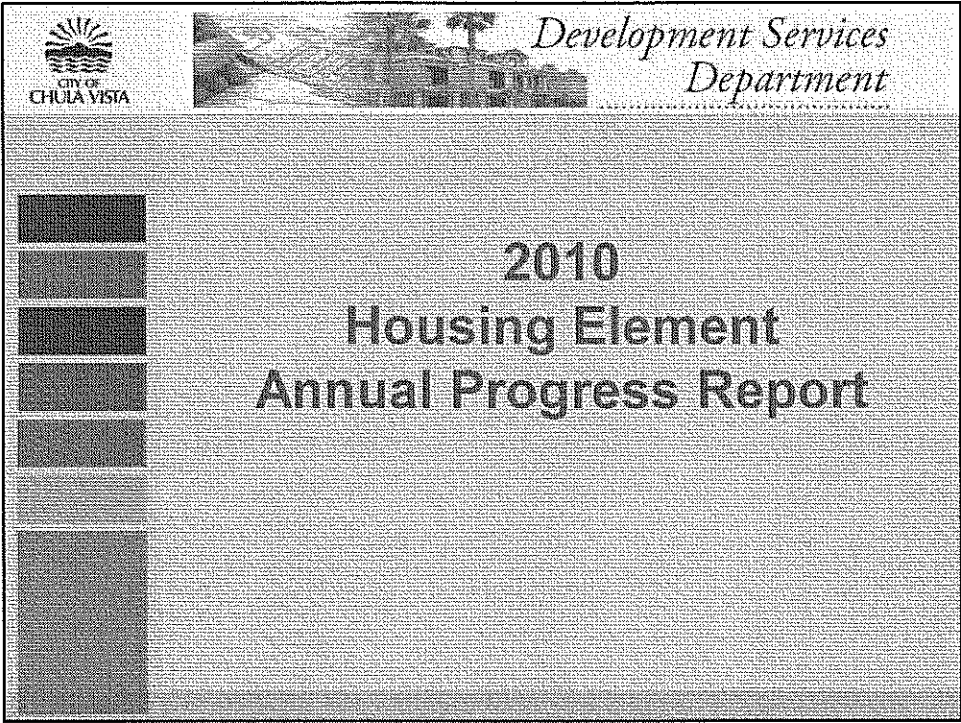
Norma Runyon, resident of Brentwood Mobilehome Park and HOA President – Ms. Runyon expressed her frustration indicating that she feels she has done nothing but fight for her rights since moving into the mobilehome park. She feels that if park owners were more reasonable with increases and there were caps set on change of ownership they would not have such difficulty. She finally mentioned that some people are having difficulty selling units due to the park management indicating that the coaches are too old to remain in the park and are forced to sell coaches to the park.

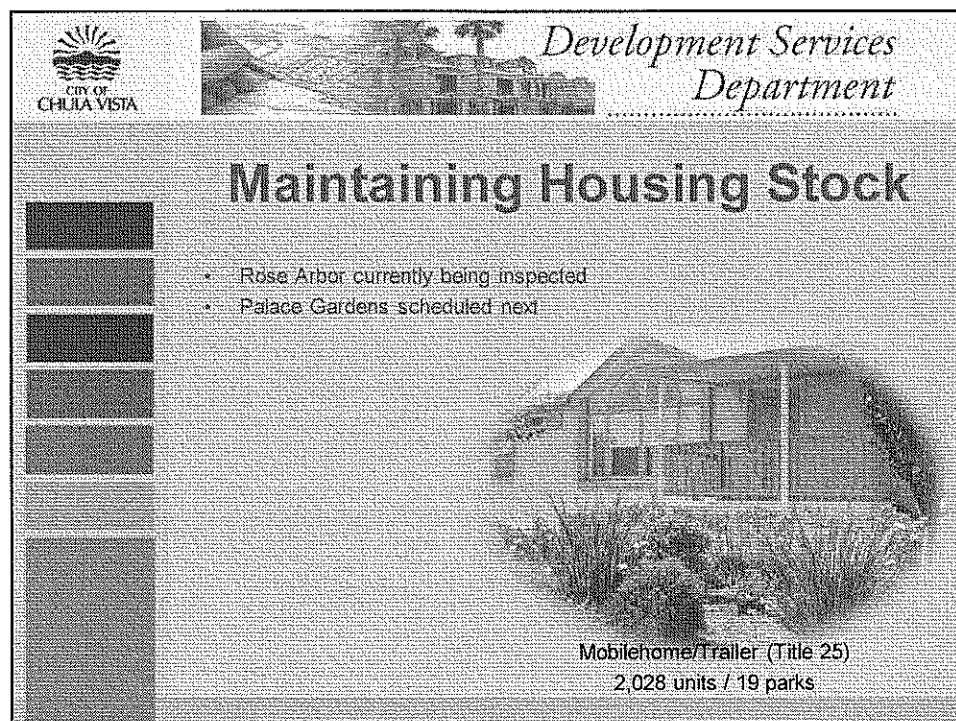
6. ADJOURNMENT – Meeting was adjourned at 7:22 p.m. to the following meetings of each Commission:

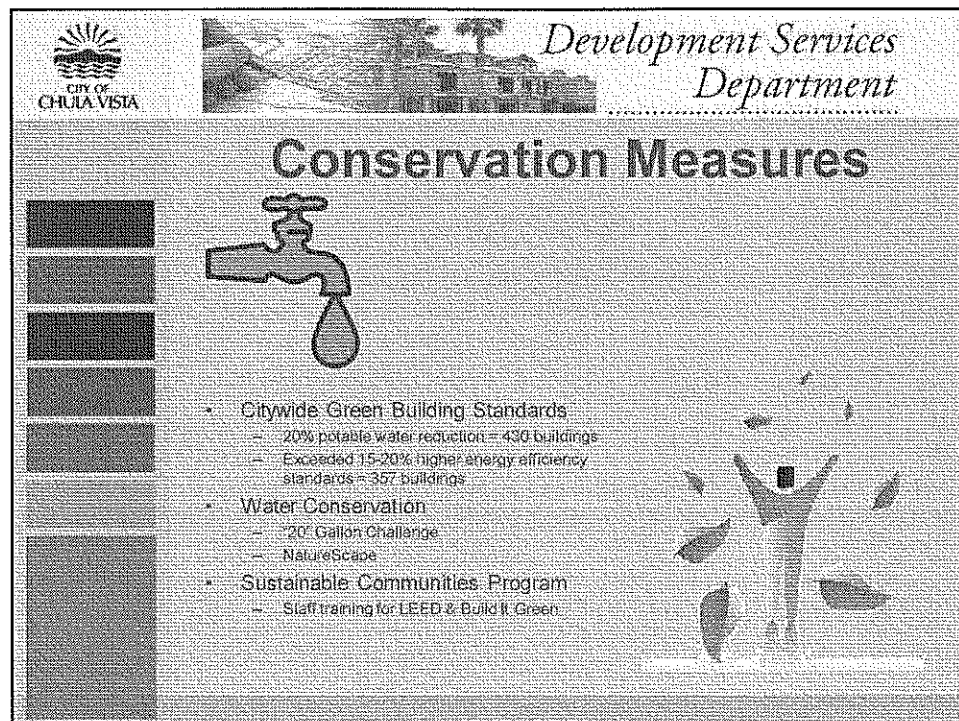
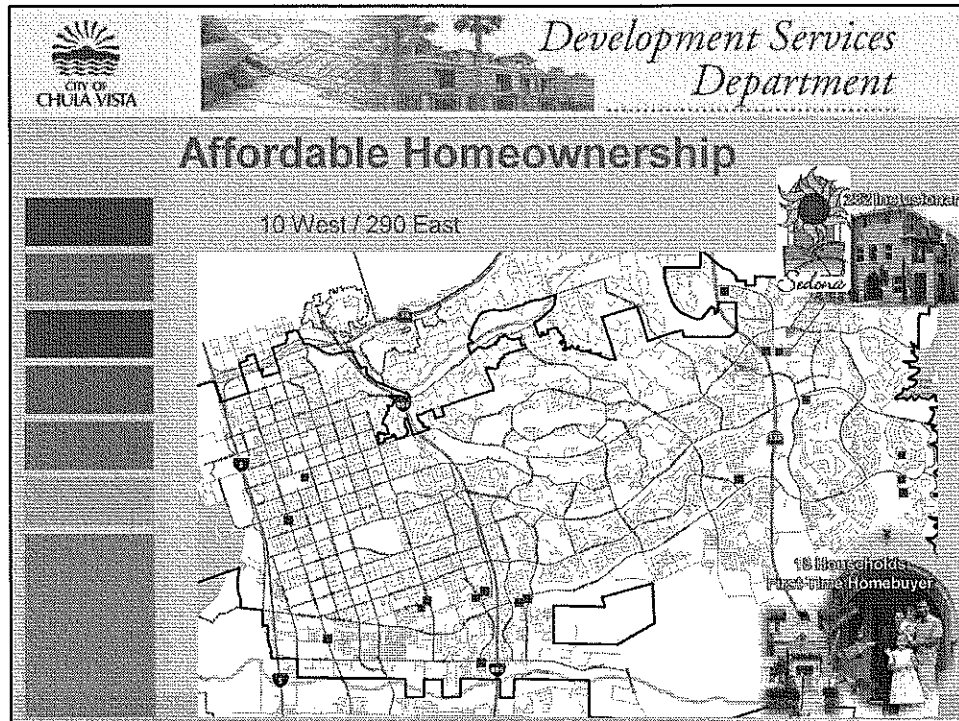
MHRRC: May 19, 2011 at 6:00 p.m. in City Hall Council Chambers

HAC: July 27, 2011 at 3:30 p.m. in City Hall C101

Recorder, Stacey Kurz









Development Services
Department

Affordable Rental Housing
Acquisition & Rehabilitation



Colorado

2 units
< 50% AMI



Palomar

167 units
< 60% AMI



Trenton

7 units
< 50% AMI





Oxford Terrace

165 units
< 60% AMI




4 units
< 50% AMI

285 Units




Development Services
Department

Affordable Rental Housing
New Construction




Landings 12th

235 units
< 80% AMI




Seniors on Broadway

41 units
Senior < 50% AMI



Los Vecinos

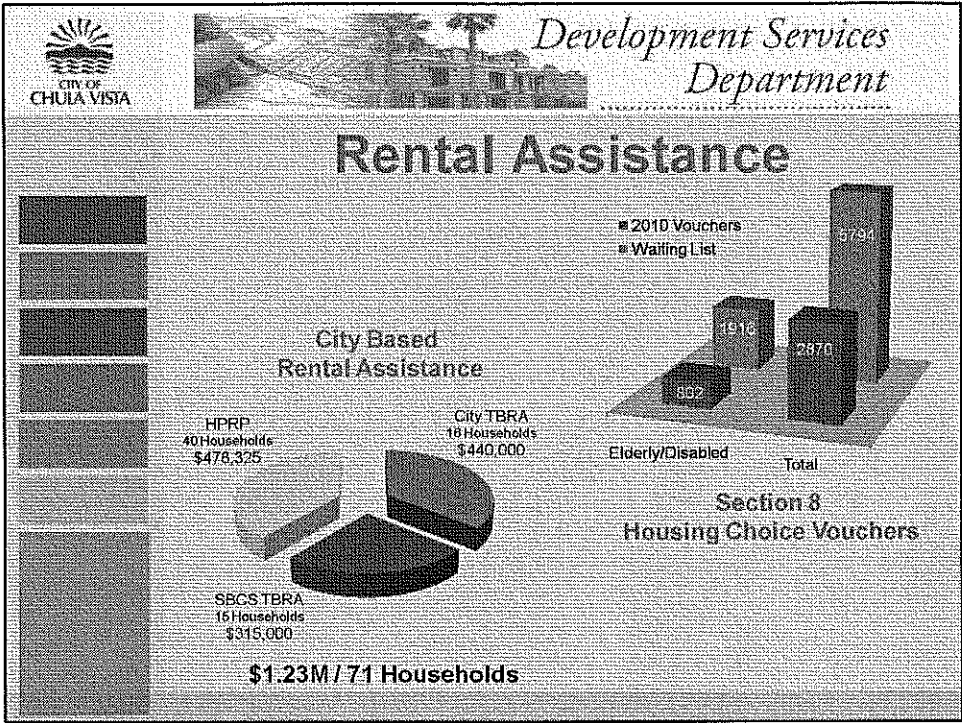
42 units
< 60% AMI



Brisa del Mar

106 units
Up to 120% AMI

424 Units
189 West
235 East



Item #1 - Attachment 2, Exhibit 2

HOUSING ELEMENT 2010 ANNUAL PROGRESS REPORT EXECUTIVE SUMMARY

Some significant facts about affordable housing efforts during the 2010 calendar include:

New Development

- Construction began on 143 new low-income rental units at The Landings II in eastern Chula Vista.
- El Dorado Ridge signed an agreement to meet the 10.4 affordable unit inclusionary obligation the new development on Brandywine is required to provide.
- City began developing an Affordable Housing Strategy to help steer the types and locations of projects over the next few years.

Building Standards (Conservation/Energy Efficiency)

- Over 430 residential and commercial buildings met the citywide Green Building Standard requiring a 20% reduction in potable water use.
- 357 residential and commercial buildings met the 15-20% energy efficiency level above the 2008 California Energy Code baseline.

Rental Activities

- Using \$1M of the \$2.8M awarded in Neighborhood Stabilization Program (NSP) funds through the Housing and Economic Recovery Act of 2008 (HERA), the City financed and administered the acquisition and rehabilitate of 2 rental properties in neighborhoods affected by the foreclosure crisis. The 2 properties yielded 6 new rental units.
- Approval of a 7 unit acquisition and rehabilitation project on Trenton Avenue in Southwest Chula Vista will provide rental opportunities to former foster youth.
- Through property refinancing and rehabilitation two properties in western Chula Vista were restricted for an additional 55 years of affordable rentals to 80% area median income and below at Palomar Apartments (167 units) and Oxford Terrace (105 units).
- Tenant Based Rental Assistance was continued for the final year for 8 households.
- Section 8, administered by the County of San Diego, provided 2,870 vouchers to Chula Vista households.
- The Mobilehome Rent Review Commission held a hearing and set rent affecting 78% of the Brentwood Mobilehome Park.
- Code enforcement staff inspected 527 rental units in 92 complexes through the City's Rental Housing Program and through Title 25 inspected 268 mobilehomes/trailers in 2 parks.

Homeowner/Homebuyer Activities

- At least 139 other Chula Vista households received foreclosure prevention counseling resulting in 54 loan modifications.
- Code enforcement staff has registered 4,380 properties in the Residential Abandoned Properties Program (RAPP) since the ordinance was adopted in August 2007.

Item #1 - Attachment 2, Exhibit 2

- Four (4) U.S. Department of Housing and Urban Development (HUD) certified Homebuyer Education classes were conducted in Chula Vista, graduating 66 households.
- Twenty four (24) new households were created in Chula Vista utilizing the Mortgage Credit Certificate (MCC) program, which entitles the household to a federal income tax credit.
- Through a revolving loan fund of \$1.5M in NSP funds, approximately \$800,000 in HOME funds, and a transfer of an inclusionary household, forty seven (47) households were pre-committed in funds with eight (8) of these households becoming first-time homebuyers.
- City initiated the Neighborhood Stabilization Resale Program and has acquired and rehabilitated eight bank owned homes, with three of them reselling to low-income households by end of year.
- Community Housing Improvement Program (CHIP) continued to assist homeowners with minor health and safety related repairs through the issuance of 8 grants and 8 loans.

Preventing Homelessness

- San Diego Grantmakers Homelessness Working Group developed the Keys to Housing campaign to develop a regional vision for ending family homelessness.
- Rental assistance was provided to 11 households at risk of becoming homeless and 66 households were provided case management services with Homeless Prevention and Rapid Re-Housing Program (HPRP) funds through the American Recovery and Reinvestment Act of 2009 (ARRA).

Infrastructure Improvements

- \$9.5M in HUD Section 108 Loan funds continued to assist the Castlepark Infrastructure Project with completion of 6 of the 9 targeted projects with new streets, sidewalks, curbs and gutters.

The City of Chula Vista Development Services Department
A REPORT TO THE
MOBILEHOME RENT REVIEW COMMISSION

Item No. 2

Staff: Stacey Kurz

DATE: May 26, 2011

SUBJECT: **ACTION ITEM** - AMENDMENTS TO CHULA VISTA MUNICIPAL CODE 9.50,
MOBILEHOME SPACE RENT REVIEW

I. RECOMMENDATION

The Commission adopt a resolution, Attachment 1, recommending City Council approve the ordinance amendments.

II. INTRODUCTION

In 1982 the City of Chula Vista adopted Mobilehome Park Space – Rent Review [Chula Vista Municipal Code 9.50 (CVMC 9.50)] to ensure that mobilehome residents and mobilehome park owners are afforded a fair and equitable process for proposed rent increases by outlining a process for rent dispute resolution between the two parties. The Ordinance applies to mobilehome park owners and current and prospective residents who have entered into leases of 12 months or less.

Recently, staff has received several referrals from the Mobilehome Rent Review Commission (MHRRC) in order to clarify language within the ordinance related to effective date of increases and the factors reviewed during change of ownership cases. In addition, the City currently utilizes Housing Authority reserves to administer CVMC 9.50 and other mobilehome related activities, the only funding source other than General Fund monies eligible to cover such expenses. With further funding cuts to the Housing Authority on the horizon, the City needs to look at ways to streamline administrative functions and identify potential funding sources for continued administration of the ordinance.

Proposed Amendments

For discussion purposes, the proposed amendments are summarized in three separate areas of concern below and the draft Ordinance language is provided as Attachment 2.

Administrative Updates

Administrative amendments include various changes throughout the ordinance due to the elimination of the Community Development Department and two clarifying items that have been addressed as

concerns by the MHRRC, as summarized below.

9.50.064 Owner Meetings and Possible Voluntary Negotiations. To provide clarity this section would be retitled “Informal Meeting Requirements”. In addition, Appendix One provides a sample Notice of Rent Increase including resident rights under the municipal code and identifies a “Voluntary Meeting” referring to Subsection 9.50.064. While attendance at the meeting is voluntary, in order for a resident to be eligible to petition a rent increase, they must attend the meeting. Staff therefore proposes to update Appendix One to reference “1. Informal Meeting” and further clarify through “3. Failure to Attend Informal Meeting” the repercussions of not attending such meeting.

9.50.075 Fixing of Space Rent in Excess of the Permissive Rent Increase. Subsection B addresses the ability for the MHRRC to set a date other than the park owner’s legally noticed date in the Notice of Rent Increase. The ordinance amendment adds language to clarify that the date of increase is that stated in the Notice of Rent Increase with an exception only if the MHRRC makes a finding that the park owner was non-responsive to the hearing process, and therefore sets a date different than that in the Notice of Rent Increase.

Administrative Fee

9.50.030 Administrative Fee. This new section of Chapter 9.50 establishes a permanent fund for staff time and other costs (i.e. hiring of experts for fair return analysis and MAI appraisers) associated with the administration of the rent review ordinance. Since Housing Authority funds are vulnerable to cuts, the establishment of these funds ensures a consistent funding source for implementation of the ordinance and allows other desired expenses such as the hiring of experts. At this time staff is proposing the authorization to establish a fee, logistics of collection and the actual fee would be brought to City Council for final approval at a later date prior to July 1, 2012.

Change of Ownership

9.50.077 Vacancies and Rents Upon Change of Mobilehome Ownership. 9.50.073 (Factors to Consider in Fixing Space Rent Through the Hearing Process) provides the MHRRC a menu of factors that may be considered when reviewing proposed rent increases for both existing/incumbent residents and change of ownership cases. Legally the MHRRC must consider all factors for both types of increases. However historically, the MHRRC has given more weight to Factor E (Fair market rental value as determined by “comparables” of similar and existing mobilehome spaces or mobilehomes in the South Bay area of San Diego County) for change of ownership cases, allowing the market to influence increases primarily through the review of comparable space rents. The ordinance amendment therefore seeks to provide clarity to differentiate between existing/incumbent resident increases and change of ownership, and to reduce the change of ownership case administrative burden by being less restrictive upon change of ownership and allowing market influences to have a greater impact.

Staff researched several options related to change of ownership in order to determine the preferred option, as follows:

- Maximum Caps – Caps based upon comparable market space rents would be set to eliminate the right to petition when rent increases were set below the maximum limits.
 - Analysis: While this would allow greater market influence upon change of ownership, it would not eliminate the potential for change of ownership cases and it would add further administrative burden to set the caps and leaves the criteria used to establish them up for scrutiny.
- Temporary Vacancy Decontrol – Upon sale, spaces would be exempt from the right to petition and once in place with an eligible lease under CVMC 9.50, the new resident would again have rights to petition increases over the annual permissive rate.
 - Analysis: Removes City from change of ownership increases however helps retain the original intent of the rent review ordinance to balance the interests of mobilehome park residents and owners by still protecting existing/incumbent mobilehome residents against excessive rent increases while allowing mobilehome park owners to receive a just and reasonable return on their property from incoming residents.
- Full Vacancy Decontrol – Spaces would permanently become exempt from eligibility under the rent review ordinance upon change of ownership, thereby phasing out rent control as units sold within the City.
 - Analysis: Provides full administrative relief upon change of ownership and long-term would phase out rent review from the City. While this option would preserve the ordinance's original intent to prevent unconscionable increases of rents to existing/incumbent mobilehome park residents, it would phase out protection for future residents.

Based upon the desire to relieve the administrative burden upon change of ownership, allow the market to influence space rents, and in preserving the original intent of the ordinance, staff recommends the ordinance be amended to provide *temporary vacancy decontrol* upon change of ownership. This would remove the right to petition increases at sale, allowing the market to influence resale space rents. Once a new resident was in place and had a qualifying lease under CVMC 9.50, they would again qualify for rent review and the annual permissive increase. It should be noted that staff's research on the potential affect on resale values of mobilehomes appears to be minimal in today's market.

9.50.085 Compliance with Law and Posting and Disclosure Requirements. This Section requires a disclosure statement be issued to all new residents of a mobilehome park and the example provided has been updated to reflect the recommended amendment in Section 9.50.077.

Additional changes have been identified in Section 9.50.001 to accurately reflect the intent of these actions.

Varying Viewpoints

Since the introduction of the potential amendments at the April 14th MHRRC meeting, staff has received various documents from parties interested in these potential changes. These have been

included as attachments beginning with Attachment 3.

III. EXHIBITS

1. Resolution CVMC 9.50
2. Draft CVMC 9.50 Ordinance Amendment
3. Chula Vista Mobilehome Park Owners Association letter dated May 10, 2011
4. Chula Vista Mobilehome Resident Documentation Submitted 5/25/11

MHRRC RESOLUTION NO. 2011-_____

RESOLUTION OF THE CHULA VISTA MOBILEHOME RENT
REVIEW COMMISSION RECOMMENDING THAT THE CITY
COUNCIL APPROVE AMENDMENTS TO CHULA VISTA
MUNICIPAL CODE 9.50 (THE CITY'S MOBILEHOME SPACE
- RENT REVIEW ORDINANCE)

WHEREAS, the Mobilehome Rent Review Commission (MHRRC) of the City of Chula Vista has intimate knowledge of Chula Vista Municipal Code Chapter 9.50 (CVMC 9.50) and is charged to provide advice to the city council and city manager on matters relating to mobilehome parks as identified under CVMC 2.31.030 Functions and duties; and

WHEREAS, the MHRRC has provided referrals at the October 2010 and January 2011 MHRRC meetings to staff regarding various administrative issues with the current version of CVMC 9.50 and the desire to further discuss potential amendments to the ordinance pertaining to change of ownership cases; and

WHEREAS, current funding sources for the administration of CVMC 9.50 faces eminent cuts and without a permanent funding source for such administration the ordinance would face possible elimination; and

WHEREAS, on April 14, 2011 the MHRRC held a special meeting to discuss potential changes to CVMC 9.50 and provided feedback to staff on possible changes; and

WHEREAS, City staff has drafted ordinance amendments to address the administrative concerns related to the MHRRC's ability to set the effective date of rent increases and the informal meeting requirements of the rent review process; and

WHEREAS, the City desires to establish an administrative fee to create a permanent source of funds to carry out the original intent of the ordinance and provide funds for the hiring of outside experts as needed; and

WHEREAS, the City desires to provide temporary decontrol upon change of ownership, removing the right to petition upon sale, in order to relieve the administrative burden of change of ownership cases, allow market influences to drive incoming resident initial space rent, and keep the original intent of the ordinance to provide existing/incumbent residents with protection from excessive increases; and

NOW, THEREFORE, BE IT RESOLVED that the Mobilehome Rent Review Commission does hereby recommend that the City Council of the City of Chula Vista adopt ordinance amendments to Chapter 9.50 as set forth in the attached proposed ordinance.

Presented by:

Approved as to form by:

Cesar Padilla
Chair, Mobilehome Rent Review Commission

Simon Silva
Deputy City Attorney

ORDINANCE NO. _____

ORDINANCE OF THE CITY OF CHULA VISTA
AMENDING CHULA VISTA MUNICIPAL CODE CHAPTER
9.50, THE CITY'S MOBILEHOME SPACE - RENT REVIEW
ORDINANCE TO: 1)UPDATE VARIOUS
ADMINISTRATIVE ITEMS, 2) ADD SECTION 9.50.030 -
ADMINISTRATIVE FEE, AND 3) AMEND SECTION
9.50.077 - VACANCIES AND RENTS UPON CHANGE OF
OWNERSHIP

The City Council of the City of Chula Vista does hereby ordain as follows:

SECTION 1: That Chapter 9.50 of the Chula Vista Municipal Code is hereby amended to read
as follows:

Chapter 9.50

MOBILEHOME PARK SPACE-RENT REVIEW*

Sections:

9.50.001	Findings.
9.50.005	Purpose.
9.50.010	Definitions.
9.50.012	General Applicability and Exemptions.
9.50.015	Applicability to Recreational Vehicles.
9.50.020	Legal Requirements and Procedures Created.
9.50.030	<u>Administrative Fee.</u>
9.50.050	Annual Permissive Rent Increases and Notices of CPI, Rent Increases.
9.50.063	Rent Increases Above the Annual Permissive Rent Increase.
9.50.064	Owner Meetings and Possible Voluntary Negotiations.
9.50.066	Request for Hearing Form.
9.50.070	Initiation of Space Rent Review.
9.50.073	Factors to Consider in Fixing Space Rent Through the Hearing Process.
9.50.075	Fixing of Space Rent in Excess of the Permissive Rent Increase.
9.50.076	New and Prospective Mobilehome Residents.
9.50.077	Vacancies and Rents Upon Change of Mobilehome Ownership.
9.50.078	Right to Mediate Mobilehome Resale Price.
9.50.079	Findings Regarding Serious Code Violations.
9.50.080	Notice of Serious Code Violations.
9.50.081	Proposed Space Rent Increases at a Time When There Exist Serious Code Violations at a Park.
9.50.082	Denial or Reduction of Rent Increases Based Upon Serious Code Violations.
9.50.085	Compliance with Law and City Posting and Disclosure Requirements.
9.50.087	Implementation Guidelines.
9.50.090	Mobilehome Resident's Right of Refusal.
9.50.092	Retaliatory Eviction.
9.50.100	Civil and Administrative Remedies.
9.50.102	Criminal Remedies.

9.50.115 Severability.

Appendix One

Appendix Two

*Prior legislation: Ords. 1997, 2163, 2227, 2282, 2306, 2451, 2551, 2566 and 2737.

9.50.001 Findings.

A. The City Council finds that there is presently, within the City of Chula Vista, a shortage of rental spaces for the location of mobilehomes, and an inadequate number of mobilehome rental spaces to meet the total demand in this City for those spaces. The City Council finds that this limited supply of mobilehome spaces in this City has resulted in low vacancy rates and contributes to escalating space rents in a manner that would, in the absence of regulation, allow for unconscionable increases of rents to mobilehome park residents.

B. The City Council further finds that the unique nature of the ownership of a mobilehome within a mobilehome park makes mobilehome owners particularly vulnerable to the threat of loss of their investment in their mobilehome. Due to the high cost of moving mobilehomes; the potential for damage resulting from moving mobilehomes; the requirements for installing a mobilehome, including permits, landscaping and site preparation; the lack of alternative homesites for mobilehome owners; and the substantial investment mobilehomeowners make in their coaches, mobilehome owners lack the ability to move their mobilehomes without a substantial loss in their investment. This lack of mobility, coupled with a shortage of rental spaces, provides park owners with the ability to establish excessive and unconscionable rents which, if unregulated, would result in the impairment of a mobilehome owner's investment in their home.

C. The City Council further finds that the limited supply of mobilehome rental spaces available in this City would, in the absence of space rent regulation, allow for an unconscionable loss of the resale value of mobilehomes by existing mobilehome park residents.

D. The City Council further finds that mobilehomes comprise a significant form of housing available within the City of Chula Vista and can be a more affordable housing choice than ~~apartments or single-family homes~~. The City Council finds that the supply of both mobilehome spaces and mobilehomes available for rent is not adequate to meet the demand, and that as a result, the limited supply of such spaces and mobilehomes contributes to escalating rents in a manner that would, in the absence of regulation, result in the elimination of mobilehomes as a more affordable housing choice~~source of affordable housing~~.

E. The City Council further finds that there exists serious health and safety issues in some mobilehome parks within this City which constitute violations of the City's Municipal Code and/or State law. The City Council finds that increases in rents in excess of the annual permissive rent increase for parks where there exists such serious violations would, in the absence of regulation, allow for an unconscionable benefit to the park owner to the detriment of the health, safety, and welfare of mobilehome residents. As more fully set forth in Section 9.50.079 of this Chapter, the City Council finds that the provisions of this Chapter will promote and require a minimal level of health and safety conditions in those mobilehome parks seeking rent increases in excess of the annual permissive rent increase while also allowing park owners sufficient time and revenue to meet these minimal requirements.

F. The City Council further finds that, because mobilehome parks generally have costs of operation which are considerably less than total gross income, it is not necessary to

allow an automatic 100% Consumer Price Index (CPI) annual rent increase in order for mobilehome park owners to be able to maintain a fair, just, and reasonable rent. A number of cities in California do, in fact, limit annual rent increases without a review or hearing by the City, to .75 times the CPI and/or provide a maximum allowable rent increase. Therefore, it is appropriate to require justification for any rent increase in excess of the annual permissive rent increase as set forth in this Chapter.

9.50.005 Purpose.

A. The City Council intends by this Chapter to create a process to protect both mobilehome park owners and mobilehome park residents from excessive and unconscionable rent increases while simultaneously recognizing and providing for the need of mobilehome park owners to receive a just and reasonable return on their property.

B. The City Council intends by this Chapter: (1) to prevent existing mobilehome owners, who are rendered largely incapable of moving their mobilehomes without suffering a substantial loss in their value, from loss of their investment and the resale value of their mobilehomes due to the fact that a new mobilehome resident is being charged excessive rents; (2) to protect and promote the availability of mobilehomes as a more affordable housing choice ~~a source of affordable housing~~; and (3) to encourage compliance with code requirements, to protect the public health, safety, and welfare of mobilehome park residents, and to provide for a fair return on the park owners' investment so that compliance with code requirements are financially feasible in such circumstances where a rent increase in excess of the annual permissive rent increase is proposed.

C. The City Council intends for the procedures contained in this Chapter to provide a mechanism for the resolution of disputed increases in rents by making it advantageous for mobilehome park residents and mobilehome park owners to establish a better understanding of each other's positions which will result in agreement on the amount of rent to be charged. The procedures of the ordinance are established with the intent that they be accomplished in a timely fashion. The participating parties shall commit to the goal that the entire dispute resolution process be completed within one hundred twenty (120) days following receipt of a disputed notice of rent increase.

9.50.010 Definitions.

Words used in this chapter shall have the meaning described to them in this section:

A. "Mobilehome" is a structure designed for human habitation and for being moved on a street or highway under permit pursuant to Section 35790 of the California Vehicle Code. As used in this Chapter, "mobilehome" has the same meaning as California Civil Code section 798.3.

B. "Manufactured home," is a unit built post 1976 that meets HUD specifications, the term "manufactured home" for the purpose of this chapter only, shall be synonymous with the term "mobilehome."

B.C. "Mobilehome space" means a portion of a mobilehome park designated or used for the occupancy of one mobilehome.

- | C.D. "Mobilehome Park" or "Park" is an area of land where two or more mobilehomes or mobilehome spaces are rented, or held out for rent, to accommodate mobilehomes used for human habitation.
- | D.E. "Mobilehome park owner" or "Owner" means and includes the owner, lessor, operator, or manager of a mobilehome park.
- | E.F. "Mobilehome owner" means a person who owns a mobilehome which is legally located in a mobilehome space within a mobilehome park in the City of Chula Vista.
- | F.G. "Mobilehome resident" or "Resident" means a person who occupies a mobilehome in a mobilehome park in the City of Chula Vista as a primary residence by virtue of having a rental agreement. "Mobilehome resident" or "Resident" is inclusive of a mobilehome owner.
- | G.H. "Rent" means the consideration, including any bonus, benefit or gratuity, demanded or received in connection with the use and occupancy of a mobilehome or mobilehome space in a mobilehome park, including services, or in connection with the transfer of a lease for a mobile space or the subleasing of a mobilehome space. "Rent" shall not include amounts paid by residents for such separately metered utilities or services, as provided in California Civil Code section 798.41, or any separate charge for those fees, assessments or costs which may be charged to mobilehome residents pursuant to the California Civil Code.
- | H.I. "Dispute" or "Controversy" means a disagreement or difference which is subject to the resolution process described in this chapter.
- | I.L. "Consumer Price Index" or "CPI" means the All Urban Consumers/All Items component of the San Diego Metropolitan Area U (broader base) Consumer Price Index prepared by the Bureau of Labor Statistics.
- | J.K. "Mobilehome Rent Review Commission" means the advisory body established by Chula Vista Municipal Code 2.31 to provide an independent review of rent increase disputes in mobilehome parks.

(Ord 2551 §1 (part), 1993; Ord 2451 §4, 1991; Ord 2306 §1 (part), 1989; Ord 2163 §4, 1986; Ord 1997 §1 (part), 1982; Ord 2737 §1 (part), 1998).

9.50.012 General Applicability and Exemptions.

- | This eChapter shall apply to all mobilehome parks, mobilehome park owners, mobilehome residents and mobilehomes in mobilehome parks within the City of Chula Vista, unless otherwise exempted by state law or the provisions of this Chapter.
- | This eChapter shall not apply to leases for a term exceeding one year which are exempted by California Civil Code Section 798.17, so long as such leases contain all the required provisions for exemption, including a statement in the first sentence of the first paragraph, in at least 12 point type or capital letters, giving notice to the mobilehome resident that, by entering into the lease, the rent control provisions of this ordinance will be automatically superseded by the lease provisions regarding rent and rent increases.

This eChapter shall not apply to a mobilehome park if the rents that may be charged for spaces thereat are regulated pursuant to an agreement with the Redevelopment Agency of the City of Chula Vista under the authority of Section 33334.2 through 33334.4, inclusive, of the California Health and Safety Code, for such period of time as the agreement is in effect. (Ord 2551, §1 (part), 1993; Ord 2451 §3, 1991; Ord 2306 §1 (part), 1989; Ord 2282 §2, 1988; Ord 2163 §1, §2, 1986; Ord 1997 §1 (part), 1982).

9.50.015 Applicability to Recreational Vehicles.

This Chapter applies to owners/occupants of recreational vehicles as defined in California Civil Code Section 799.29 where the recreational vehicle owner/occupant has been in residency for nine or more consecutive months. Notwithstanding the above, this eChapter shall not be applicable to recreational vehicles residing in parks operated as recreational vehicle parks, where the predominant number of spaces are occupied for less than nine months.

(Ord 2551, §1 (part), 1993; Ord 2306 §1 (part), 1989; Ord 2282 §2, 1988; Ord 2227 §1, 1987; Ord 2737 §1 (part), 1998).

9.50.020 Legal Requirements and Procedures Created.

This eChapter creates legal requirements and procedures which must be followed when rent is increased in mobilehome parks. In the event a mobilehome park owner increases rent without complying with the provisions of this chapter, including, but not limited to providing the required notice, the park owner may be held accountable for such failure through criminal, civil and administrative action in accordance with Sections 9.50.0100 and 9.50.102 of this eChapter. A park owner who willfully and improperly collects rent shall be subject to repayment of up to three times the amount of rent improperly collected, after a hearing before the Mobilehome Rent Review Commission, or in a civil action brought by a mobilehome resident.

(Section repealed by Ord 2306 §1, 1989; Ord 2282 §2, 1988; Ord 2163 §3, 1986; Ord 1997 §1 (part), 1982; Ord 2737 §1 (part), 1998).

9.50.030 Administrative Fee.

The City Council finds that this Chapter provides services to a limited segment of the public, mobilehome owners. The Council further finds that the City incurs costs administering this Chapter for the benefit of the aforementioned mobilehome owners. The Council concludes that a fee that bears a reasonable relationship to the services provided is necessary and shall be established as follows:

- A. The City shall report to the City Council each fiscal year with a recommendation regarding the amount necessary to recover the costs of administering this Chapter, and the proportion of said fee levied on the mobilehome owners based on the relative services provided.
- B. The administrative fee shall be established annually and adopted by Council in the City of Chula Vista Master Fee Schedule. The fee and manner in which to collect it shall be determined by the standards set forth in the City Council approved fee resolution.

- C. This fee shall not be included in the rent base when calculating ministerial rent increases.
- D. This Chapter shall apply to each manufactured home rental space within parks, as established by resolution of the City Council, except such spaces that are exempt from such fee because of a space rental agreement that meets the requirements of Section 798.17 of the California Civil Code. Such exemptions shall be verified as identified in the City Council approved fee resolution.
- E. No petition will be accepted from any resident opposing a rent increase above the annual permissive and no hearing or other proceeding shall be scheduled or take place for a mobilehome space rent for which there is an unpaid administrative fee.
- F. This section shall be operative July 1, 2012.

9.50.050 Annual Permissive Rent Increases and Notices of CPI.

- A. Rents for mobilehome residents may be increased automatically and only once in a calendar year by no more than the percentage change in the CPI, when the CPI is three percent (3%) or less, and 75 percent of that change in the CPI above three percent (3%) to be known as the "annual permissive" rent increase. The park owner or their agent shall use the CPI in effect at the time such notice of increase in rents is served on residents, as provided in the notice of current CPI mailed to each park owner or their agent by the ~~Community Development Department~~City. Calculation of the one-year limitation on rent increases shall be from the date the last increase became effective for that particular space or mobilehome.
- B. The ~~community development department~~City shall mail to each park owner or their agent the applicable CPI to be used for the rent increases as soon as the ~~community development department~~City receives the CPI from the Bureau of Labor Statistics. The CPI is published twice each year by the Bureau of Labor Statistics. Park owners shall use the CPI furnished to them by the ~~community development department~~City as controlling the maximum potential rent increase without a need for a hearing, and may not deviate from the CPI until the park owner receives written notification from the ~~community development department~~City that the CPI has changed. The park owner shall post, in a prominent place, the notification from the ~~community development department~~City so that all residents are aware of the applicable CPI.
- C. Should a mobilehome resident feel that a proposed rent increase is in violation of this Chapter, the resident may provide written notice to the park owner of such rent dispute. Within ten calendar days of the written notice, the park owner shall meet with the resident to discuss this dispute. This meeting shall be held at a mutually convenient time and place, preferably at the mobilehome park. -Additionally, within 30 days of receiving written notice from the resident of a rent dispute, the park owner shall provide the resident with a written response addressing such dispute.

If the resident is unable to satisfactorily resolve such rent dispute, the resident may file with the ~~Community Development Department of the City~~City a complaint alleging the mobilehome park's violation of the rent increase provisions of this Chapter. Such

complaint must include documentation or other information which provides compelling evidence of such violation and submitted within fourteen days of receiving the park owner's written response addressing the dispute. The City, at its sole discretion and after review of the complaint and supporting documentation, will determine the necessity to audit the rent for the affected space in order to verify compliance with this Chapter.

Should the City determine that an audit is necessary, the City shall notify the park owner in writing of their determination, request written verification of the rent charged for the affected space for the last three years, and provide the park owner with a copy of the complaint. Within fourteen days after delivery of said notice from the City, the park owner or their agent shall mail (U.S. Postal Mail Service, return receipt requested) to the ~~Community Development Department~~ City of Chula Vista, Attn: Mobilehomes, 276 Fourth Avenue, Chula Vista, CA 91910, written verification of the space rent charged for the affected space for the previous three years, such as copies of rent statements. Failure to provide the ~~Community Development Department~~ City with the requested space rent information or knowingly submitting incorrect information shall be considered a violation of this Chapter. (Ord 2566 §3, 1993; Ord 2737 §1 (part) 1998).

9.50.063 Rent Increase Above the Annual Permissive Rent Increase.

- A. In any situation where a mobilehome park owner wishes to increase the rent above the annual permissive rent increase as set forth in Section 9.50.050, he or she must first give notice to affected residents, at the same time the ninety day notice required by Civil Code Section 798.30 is given.

The Notice of a Rent Increase in Excess of the Annual Permissive Rent Increase shall be in substantially the form prescribed in Appendix One of this Chapter.

- B. If the residents within the affected mobilehome park have established an on-site representative body and notify the owner in writing of its existence, a copy of the rent increase notice must be sent to the chairperson of that body.
- C. A copy of the rent increase notice shall be mailed (U.S. Postal Mail Service, return receipt requested) at the same time as issuance of the notice to residents to both the ~~Community Development Department and Planning and Building Department~~ of the City of Chula Vista at the addresses identified herein for each of the designated Departments.

City of Chula Vista
~~Community Development Department~~
Attn: Mobilehomes
276 Fourth Avenue
Chula Vista, CA 91910
Attn: ~~Housing Manager~~

City of Chula Vista
~~Planning and Building Department~~
276 Fourth Avenue
Chula Vista, CA 91910
Attn: ~~Assistant Director/Building Official~~

- D. The rent increase notice must contain the space numbers of all residents who are subject to a increase which is above the annual permissive rent increase set forth in Section 9.50.050.

(Ord 2566, §1 (part) 1993; Ord 2451 §6, 1991; Ord 2306 §1 (part), 1989; Ord 2737 §1 (part), 1998).

9.50.064 ~~Owner Meetings and Possible Voluntary Negotiations~~Informal Meeting Requirements.

Within ten days after service of a notice of increase, as provided in Section 9.50.063 and 9.50.077, the park owner shall hold an informal meeting for the benefit of the affected residents to discuss the increase. It is hoped that such a meeting may lead to voluntary settlement of the dispute.

The meeting should be set for a time and date believed to be convenient for residents and may be changed to a different date based on the reasonable request of the majority of affected residents.

If a resident does not attend this meeting or is not represented by someone, he or she shall have no right to a hearing but may rely on other residents of the mobilehome park to cause a public hearing to be scheduled. The decision of the Mobilehome Rent Review Commission shall be applicable to all affected homeowners.

In the event that more than fifty percent of the resident(s) and park owner reach a voluntary written agreement of the increase in space rent, the rent shall be fixed as specified in Section 9.50.075. Should the affected resident(s) and the park owner be unable to reach a voluntary settlement of the dispute in the increase in space rent, the resident shall be entitled to file a "Request for Hearing" form as permitted in Section 9.50.066 and 9.50.070.

(Ord 2551 §1 (part), 1993; Ord 2451 §5, 1991; Ord 2306 §1 (part), 1989; Ord 2282 §2, 1988; Ord 2163 §6, 1986; Ord 1997 §1 (part), 1982; Ord 2737 §1 (part), 1998).

9.50.066 Request for Hearing Form

Mobilehome residents shall have a right to file for a hearing and determination by the Mobilehome Rent Review Commission of rent increases in excess of the annual permissive rent increase. To file for such a hearing, a resident must deliver the Request for Hearing form to the ~~City's Community Development Department~~City within thirty days of the delivery of "Notice of Rent Increase in Excess of the Annual Permissive Rent Increase" from the park owner or their agent.

The Request for hearing shall be in substantively the form prescribed in Appendix One of this Chapter.

9.50.070 Initiation of Space Rent Review.

If a rent dispute cannot be resolved at a meeting with a park owner, a resident may initiate a rent review by the Mobilehome Rent Review Commission by filing a Request for Hearing with the ~~community development department~~City, in the form prescribed in Section 9.50.066.

Upon the filing of a Request for Hearing in accordance with this Chapter, the ~~City community development department~~ City shall notify the chairperson of the Mobilehome Rent Review Commission of such request, who shall schedule a hearing on the matter within 30 days after the date of receipt of such request or as soon thereafter as practical. The City shall send written notice to the park owner and the resident(s) filing such request for hearing of the time and place set for the hearing. The hearing will be noticed and held in a manner that provides due process to all affected parties. Should such hearing affect more than fifty percent of those spaces at the mobilehome park, the park owner or their agent shall post in a conspicuous place within the mobilehome park a copy of the written notice of the hearing.

(Ord 2566 §4 (part), 1993; Ord 2451 §7, 1991; Ord 2227 §2, 1987; Ord 2737 §1 (part), 1998).

9.50.073 Factors to Consider in Fixing Space Rent Through the Hearing Process.

If a proposed rental increase is submitted to the Mobilehome Rent Review Commission ("Commission") pursuant to the provisions of this chapter, the commission shall determine the rent that is fair, just and reasonable, and, in doing so, shall consider the factors listed below. The Commission has the authority to request information and/or documentation related to these factors that will assist them in making such determination. The ~~Community Development Department~~ City and/or their designee shall review all evidence to be presented to the Commission for their consideration. The Commission's decision shall be based on the preponderance of the evidence at the hearing. The Commission shall consider the following factors:

- A. The need for the proposed rental increase in order to permit the owner to secure a fair and reasonable return, when considering the existing rental scheme for all spaces in the park and all existing or expected expenses in owning and operating the park. A fair and reasonable return may be determined by the commission by reference to industry standards, risk of investment, or other acceptable standards.
 1. In considering the existing or expected expenses in owning and operating the park in following prudent business practices, the commission should consider the following or any similar or related items of expense, the reasonableness of such items, and changes to them:
 - a. Actual financial investment in park improvements.
 - b. Property or other taxes.
 - c. Mortgage or ground rent payments.
 - d. Utility costs.
 - e. Capital improvements or rehabilitation work.
 - f. Repairs required.
 - g. Other operating and maintenance costs. Operating costs shall not include the following:
 - i. Avoidable and unnecessary expenses, including refinancing costs;
 - ii. Any penalty, fees or other interest assessed or awarded for violation of this or any other law;
 - iii. Legal fees, except legal fees incurred in connection with successful good-faith attempts to recover rents owing, and successful good-faith unlawful detainer actions not in derogation of applicable law, to the extent same are not recovered from residents.
 - iv. Depreciation of the property.

- v. Any expense for which the park owner has been reimbursed by any security deposit, insurance settlement, judgment for damages, settlement or any other method. Cost of replacement or repair incurred or necessary as a result of the park owner's negligence or failure to maintain, including costs to correct serious code violations at the park.
- 2. In considering the existing or expected income from owning and operating the park, the commission should consider the rent schedule for all spaces in the park and any similar or related items verifying income for the mobilehome park for the last three years, the reasonableness of such items, and changes to them.
- B. Rate of return earned by the park owner in previous years as determined by a fair market appraisal conducted by a Member Appraisal Institute (MAI) appraiser. The City, as well as the park owner, shall have the right to hire their own independent MAI appraiser.
- C. The extent to which the proposed rental increase will cause a reduction in the resale value of the mobilehome.
- D. Changes in the Consumer Price Index for all urban consumers in the San Diego Metropolitan Area published by the Bureau of Labor Statistics.
- E. Fair market rental value as determined by "comparables" of similar and existing mobilehome spaces or mobilehomes in the South Bay area of San Diego County, including those in Chula Vista, as determined by an MAI appraiser. The City, as well as the park owner, shall have the right to hire their own independent MAI appraiser.
- F. The timing and amount of rents and increases for this and other spaces at the mobilehome park.
- G. The quantity and quality of the improvements and features at the mobilehome park and any decrease or increase in such improvements and features.
- H. The quantity and quality of services offered to park residents and any decrease or increase in such improvements and features.

(Ord 2551 §1 (part), 1993; Ord 2737 §1 (part), 1998).

9.50.075 Fixing of Space Rent in Excess of the Permissive Rent Increase.

The rent on any particular mobilehome space shall be fixed as established herein. Any determination of fair, just, and reasonable rent determined by the Commission shall not be applicable to those spaces exempt from this Chapter nor to those spaces not covered by the written notice of an increase in rent.

- A. In the event that the resident and an owner reach agreement as to the space rent in excess of the annual permissive rent increase for that calendar year, with or without the benefit of a commission hearing, the rent shall be fixed at the agreed upon rent at such time as the agreement is reached unless the agreement provides for a different effective date.
- B. In the event that the resident and an owner do not reach agreement, and the rent has been established by the Commission according to the procedures herein established, the rent shall

be fixed at the rental rate so established by the Commission as of ~~the date of the Commission's decision, or ninety days after the resident's original receipt of the Notice of Rent Increase, whichever is later, unless it.~~ The Commission shall have the right to fix a different date, if the Commission deems the park owner non-responsive to the Hearing requests.

- C. Consistent with its findings, the Commission may:
1. Permit the requested increase which is in excess of the annual permissive rent increase to become effective in whole or in part; or
 2. Deny the increase which is in excess of the annual permissive rent increase.

However, the Commission may not set the rent lower than the pre-existing rent or higher than the amount contained in the Notice of Rent Increase in excess of the annual permissive rent increase.

- D. Unilateral Refusal to Participate in the Hearing Process. In the event the commission finds that the resident or owner has failed or refused to, in good faith, follow the procedure herein fixed for the establishment of rent, which may include but not be limited to refusal to attend noticed hearings or failure to provide a copy of all rent increase notices to residents, then the Commission shall fix the rent as follows:
1. If the resident has failed or refused to follow the procedures herein fixed for the establishment of rent, then the rent shall be fixed at the rental rate contained in the Notice of Rent Increase in Excess of the Annual Permissive Rent Increase.
 2. If the owner has failed or refused in good faith to follow the procedures herein fixed for the establishment of rent, then the rent shall be fixed at the annual permissive rent increase.
- E. Waiver of Fixed Rent. Notwithstanding the aforementioned manner in which the rent shall be fixed, a refusal or failure, accompanied with the knowingly improper assertion that a greater rental is due by the owner or his or her agent, to accept a rent payment from a resident in an amount which is equal to or greater than the rent fixed by Subsections A, B or C of this Section shall constitute a waiver by the owner of the right to collect said rent, in its entirety, for the rental period for which the rent was refused, unless the tenant consents, in writing, to waive the provisions of this Subsection.
- F. All parties to the hearing shall be advised of the Commission's decision and be given a copy of the findings upon which the decision is based. The conclusions and findings of the Commission shall be final. Any party disputing the final conclusions and findings of the Commission may seek review of the Commission's actions pursuant to Sections 1094.5 and 1094.6 of the California Code of Civil Procedure.

(Ord 2566, §5 (part) 1993; Ord 2551 §1 (part), 1993; Ord 2737 §1 (part), 1998).

9.50.076 New and Prospective Mobilehome Residents; Transfers of Mobilehomes.

- A. Prior to or at the time of agreeing to rent to a new or prospective mobilehome resident in a mobilehome park, the park owner or their agent shall provide the new or prospective mobilehome resident with a copy of the disclosure as specified in Section 9.50.085 of this Chapter, a copy of any notice of rent increase, and a copy of this Chapter as currently in force.
- B. The park owner must follow all procedures and requirements for disclosure and noticing of rent increases in excess of the CPI as set forth in this Chapter.
- C. Park owners must comply with the provisions of California Civil Code 798.70 et seq. related to transfers of mobilehomes, including the provisions of Civil Code Sections 798.75 and 798.75.5.

9.50.077 Vacancies and Rents Upon Change of Mobilehome Ownership.

Notwithstanding any other provision of this Chapter, the mobilehome park owner may increase space rent in the event of a space vacancy or a change of ownership of a mobilehome which will remain on its current space in accordance with the following:

- A. In the event that a space becomes vacant, that is, with no mobilehome in place, a park owner may adjust the space rent without regard to the provisions of this Chapter.
- B. If a mobilehome changes ownership but remains on the same space within the mobilehome park, a park owner may adjust the space rent without regard to the provisions of this Chapter. ~~the park owner may propose an increase in the space rent subject to the noticing requirements contained herein. Once a resident is in place, the provisions of this Chapter are again applicable. However, no rent increase may be charged upon change of ownership by reason of interspousal transfers or for persons on a lease agreement.~~
- C. This increase is in addition to the annual permissive rent increase as set forth in Section 9.50.050 and is not subject to the once-a-year limitation of Section 9.50.050 A.
- D. After an increase under this Section, further rent increases shall be governed by the provisions of this Chapter.
- E. Should a current mobilehome owner desire to sell his or her mobilehome and such mobilehome will remain within the mobilehome park, the mobilehome owner must provide a written notice to the park owner or their agent of his or her intent to sell. Within 15 days of the receipt of a written notice of the current mobilehome owner's intent to sell the mobilehome, the park owner or their agent shall provide a written statement as to the rental rate to be offered to the new or prospective mobilehome owner and if an increase in the existing rental rate is proposed, the corresponding percentage of the increase in rent. Both the current mobilehome owner and the park owner or their agent shall provide all new or prospective mobilehome owners with a copy of such written statement of the rental rate.

Should no offer to purchase the mobilehome be accepted within six months of the written statement of the rental rate to be offered to the new or prospective mobilehome owner, the park owner or their agent may provide a revised written statement of the rental rate to be offered ~~and whether such rental rate is in excess of the annual increase in the applicable CPI.~~ Such written

statement can be revised by the park owner or their agent every six months thereafter and shall be immediately provided to the current mobilehome owner.

Upon acceptance of an offer to purchase a mobilehome, the outgoing mobilehome owner shall immediately provide written notice to the park owner or their agent of the pending sale of the mobilehome and an address at which the new mobilehome owner may be contacted. The park owner shall provide to the new mobilehome owner a written statement as to the rental rate to be offered and if an increase in the existing rental rate is proposed, the corresponding percentage of increase in rent within 15 days of receiving written notice of the pending sale of a mobilehome. The park owner shall also provide the new mobilehome owner with any other document required by California Civil Code section 798.75(a).

~~The park owner or their agent shall provide a copy of each written statement of rent provided to both the current and new mobilehome owner to the City of Chula Vista Community Development Department at the same time as issuance of the notice to the current and new mobilehome owner. The copy of the rent increase notice shall be mailed (U.S. Postal Mail Service return receipt requested) to the Community Development Department of the City of Chula Vista, 276 Fourth Avenue, Chula Vista, CA 91910. If the residents within the affected mobilehome park have established a representative body and notified the owner in writing of its existence, a copy of each rent increase notice must be sent to the chairperson of that body.~~

~~Where an increase in rent to the new or prospective mobilehome owner is proposed and results in a total rent increase in the calendar year above the annual permissive as provided in Section 9.50.050, the following additional noticing requirements and review process shall apply:~~

- ~~1. The park owner or their agent shall provide the current owner and the new or prospective mobilehome owner with a Notice of Rent Increase in Excess of the Annual Permissive Rent Increase Upon Change of Ownership in substantially the form prescribed in Appendix One of this Chapter. Such written statement of the rental rate to be offered shall contain a place for the outgoing mobilehome owner to acknowledge receipt of the statement of rent. The notice provided to the new or prospective mobilehome owner shall also state whether the current mobilehome owner completed the hearing process or reached agreement as to the increase if the rental rate is proposed to increase in an amount greater than the annual permissive.~~

- ~~2.1. Either the current or new mobilehome owner shall have the right to a hearing and decision regarding the increase under the provisions of Sections 9.50.066, 9.50.070 and 9.50.073. A Request for Hearing Form must be filed within thirty days after receipt of the written statement of rental rate in substantially the form prescribed in Appendix One.~~

9.50.078 Right to Mediate Mobilehome Resale Price.

- A. In line with the purpose of this chapter to maintain a supply of more affordable housing choices in the mobilehome market, it is the goal and objective of the city that a current mobilehome owner should not be able to command, due to limited mobilehome space availability, a higher price for a mobilehome upon sale due to the fact that the rent is regulated by the provisions of this chapter. The City Council finds that there is currently no evidence that overcharging for mobilehomes is a significant problem in Chula Vista, and that it has little, if any, significant effect on the supply of more affordable housing choices in the City of Chula Vista, so as to require mobilehome resale price regulation by the city. The City Council finds that this is due, in part, to the annual permissive rent increases provided in this

Chapter. The City Council further finds that if, after time, it appears that the mediation process offered by this section is inadequate to address any potential problem with overcharging, it may reconsider more stringent control over mobilehome overcharging in the future.

- B. The park owner shall post the following notice in a prominent place, in the on-site office:

NOTICE OF THE RIGHT TO MEDIATE THE PURCHASE
PRICE OF MOBILEHOME

~~In addition to the right to a hearing on an increase in rent above the applicable CPI, aA~~ potential purchaser of a mobilehome has the right to mediate the purchase price of a mobilehome, if you contend that the purchase price is higher because of rent regulation, then the purchase price might ordinary be without rent regulation.

In order to submit the purchase price dispute, based solely on the grounds than the purchase price is more than would ordinarily be without rent regulation, between yourself and your potential seller to the Chula Vista Mobilehome Rent Review Commission for non-binding mediation your must:

1. Extend an offer to purchase the mobilehome, but not execute an agreement to purchase;
 2. Sign and file with the ~~community Citydevelopment director~~ the form requesting mediation prior to executing a purchase agreement; and
 3. Participate in the mediation process provided by the Mobilehome Rent Review Commission.
- C. If, prior to executing a mobilehome purchase agreement, the new or prospective mobilehome resident contends that the price at which the mobilehome is offered by the current mobilehome owner is higher because of rent regulation than the price of the mobilehome without rent regulation, the new or prospective mobilehome owner has the right, upon tender to the seller of an offer to purchase the mobilehome at a price acceptable to the new or incoming mobilehome owner, to submit the price dispute to the Mobilehome Rent Review Commission for mediation.
- D. Upon submittal of the price dispute to the Mobilehome Rent Review Commission by the new or prospective mobilehome owner, the Commission shall convene as soon as practical to hear the dispute, not sooner than 10 days notice to the buyer and seller of the time and place at which the mediation shall occur. If the Seller fails to appear, the Commission should hear the complaint and evidence of the new or prospective mobilehome owner for the purpose of creating a record of such abuses, if any. However, the Commission shall have no power to set the resale price of a mobilehome with or without the presence of the parties.
- E. The purpose of the mediation, and the sole jurisdiction of the Commission in the mediation, is to get the parties to agree, if possible, to a price which reflects the value of the mobilehome as if the rents in the park were not regulated by this chapter.

(Ord 2566, §6 (part) 1993; Ord 2551 §1 (part), 1993; Ord 2737 §1 (part), 1998).

9.50.079 Findings Regarding Serious Code Violations.

A. The City Council finds that there currently exists serious health and safety issues in certain mobilehome parks within the City. These health and safety issues are particularly acute in the older trailer parks in the City. In order to establish a minimal level of health and safety standards which must exist in all mobilehome parks prior to any rent increase in excess of the annual permissive rent increase, the City Council finds that the violations listed in Appendix Two constitute serious code violations which may not exist within a mobilehome park at the time of the proposed rent increase.

B. The City Council further finds that the provisions of this Chapter provide for a sufficient return on investment and allow for a sufficient period of time to allow park owners to meet the minimal health and safety standards set forth herein. The City Council finds that adoption of this Chapter does not constitute an action or inaction by the City which will result in the closure, cessation or change of use of a mobilehome park. Except in these cases where the City Council, in its discretion, decides not to renew a conditional use permit or zoning variance as provided for in Government Code section 65863.7(i), the City Council finds that any closure, cessation or change in use of a mobilehome park occurring after the adoption of this Chapter is the result of the decision of the park owner, and, prior to any such closure, cessation or change in use, the mobilehome park owner must comply with the provisions of Government Code sections 65863.7 and 65863.8 as well as the provisions of the City's conversion ordinance, Chapter 9.40 of the Municipal Code.

9.50.080 Notice of Serious Code Violations.

In the event a park owner wishes to increase space rents in excess of the Annual Permissive Rent Increase, he or she must first give notice to affected residents in compliance with the notice requirements contained in Section 9.50.063. The Notice of a Rent Increase in Excess of the Annual Permissive Rent Increase shall be in substantially the form prescribed in Appendix One of this Chapter and shall include information regarding a review for serious code violations.

The park owner shall post, in a prominent place, copy of Appendix Two of this Chapter so that all residents are aware of those code violations which may create serious health, safety, and welfare problems. Failure to maintain a posted copy of Appendix Two, or failure to provide the notice required below in connection with any proposed space rent increase shall constitute a violation of this chapter.

The requirements of this Section are not applicable to those rent increases upon a change in ownership of a mobilehome to remain in the park.

9.50.081 Proposed Space Rent Increases at a Time When There Exist Serious Code Violations at Park.

The City Council finds that at times residents in parks have alleged that their rents are being increased, even though the park is in a state where serious code violations which affect the health, safety, and welfare of the residents exist. The City Council further finds that park owners should be required to operate and maintain their parks in substantial compliance with applicable codes and particularly in a manner which is not hazardous to the health, safety, and welfare of the residents. Therefore, in order to encourage compliance with code requirements and to protect the health, safety and welfare of park residents, the City Council finds that it is necessary and appropriate to establish a process to limit or prohibit increases in rents which are above the annual permissive rent increase unless and until it has been reasonably determined by City staff that no serious code violations as listed in Appendix Two hereto exist at the park which would be hazardous to the health, safety, and welfare of the residents.

Therefore, in a situation where a mobilehome park owner wishes to increase the rent in excess of the annual permissive rent increase, the City's Planning and Building Department shall schedule an inspection of the subject mobilehome park consistent with Appendix Two within twenty-one (21) calendar days of receiving a notice of such rent increase. Subject to staffing limitations, City staff will make a determination within 30 calendar days of the inspection of the subject mobilehome park as to whether or not a serious violation or violations exist within the park and whether it or they do adversely affect the health, safety, and general welfare of residents. The notice of such determination shall be provided to any homeowners association at the park, which is registered with the ~~Community Development Department~~ City, and to the park owner. The park owner may meet with City staff to discuss the violation(s) determined to exist and possible actions needed to cure such violation(s).

If a serious violation as specified above is determined to exist, the park owner may cure the violation, in which case the rent increase will become effective upon such cure, after the 90 days as specified in the notice of rent increase, or upon fixing of the space rents by the Commission whichever date or event last occurs and in compliance with Section 9.50.063. The park owner will receive written notification from the City of the cure of any such serious violation as determined by City staff. In the alternative, the matter of any alleged code violation shall be considered as part of the hearing process on the proposed increase or the park owner may request a hearing before the Mobilehome Rent Review Commission on the matter of the alleged violation's relation to the proposed rent increase. The Commission may take into consideration any code violation which has not been resolved, in determining to what extent a rent increase, if any, should be allowed. After making such determination, the Commission shall fix the rent as provided for in Section 9.50.082 of this Chapter.

It is not the intent of this section to delay rent increases, but to attempt to resolve serious code violations during the 90 day period required by State law prior to the effective date of any rent increase. This Section does not limit or preclude the City from proceeding in accordance with all applicable laws against a park owner if it is found that a violation of code exists at the park. Furthermore, any review of the specific code violations listed in Appendix Two is not intended to substitute for the comprehensive inspection program for mobilehome/trailer parks administered by the Planning and Building Department in compliance with Title 25 of the California Code of Regulations.

9.50.082 Denial or Partial Reduction of Rent Increases Based Upon Code Violations.

The violations which may result in a denial or reduction in any proposed rent increase which is in excess of the annual permissive rent increase are limited to those listed in Appendix Two. Each year, the ~~Community Development Department~~ City shall send a copy of Appendix Two to each park for posting in a common area as required above. Violations listed in Appendix Two hereto may be modified from time to time by the City Manager without necessity of additional ordinance by the City Council.

In making a determination regarding whether to permit that rent increase which is in excess of the annual permissive rent increase when serious code violations exist, the Commission and City staff shall have the discretion to work with a park owner to bring a park into compliance over a period of time. If a park owner contends that immediate compliance would result in the immediate closure of a park, the Commission and City staff shall consider this contention and address the issues of compliance on a case-by-case basis. However, the City Council finds that compliance with the minimal health and safety standards provided for herein will not result in such closures.

**9.50.085 Compliance with Law and Posting and Disclosure Requirements.
(Previously known as 9.50.012).**

Every mobilehome park owner shall comply with the provisions of the Mobilehome Residency Law (Chapter 2.5, Section 798 of the California Civil Code), and the provisions of this Chapter. Also, a copy of the Mobilehome Residency Law and this Chapter shall be prominently posted in a common area of each park's premises at all times.

In addition, the information contained in the disclosure below shall be provided as follows: (1) when a mobilehome in a park is to be sold and it will remain in the park, the seller shall show the disclosure to all potential buyers; (2) the park owner will provide a copy of the disclosure to a buyer of a mobilehome that will remain in the park prior to signing of a rental/lease agreement; and, (3) a copy of the disclosure acknowledged by the buyer shall be an addendum to every rental agreement.

MUNICIPAL CODE CHAPTER 9.50 DISCLOSURE

Chula Vista Municipal Code Chapter 9.50, Mobilehome Park Space Rent Review, governs all mobilehome park spaces for leases of 12 months or less. For leases of more than 12 months, Chapter 9.50 does not apply, per Section 9.50.012 and State law.

Chapter 9.50 generally applies to, but is not limited to, rent control measures. Of particular interest is Section 9.50.077, which prohibits rental petitions upon change of ownership or space vacancy. ~~9.50.063, which details the noticing requirements for increases in space rent upon a change in ownership of a mobilehome that is to remain within the park, whether or not the increase is in excess of the annual permissive rent increase.~~

Once in place, existing resident rights are defined in Section 9.50.063, which details the noticing requirements for increases in space rent. If the cumulative annual increase is greater than the applicable change in the CPI, when the CPI is three percent (3%) or less, and 75 percent of that change in the CPI above three percent (3%), then the ~~new or prospective mobilehome owner (buyer) or the current mobilehome owner (seller)~~ has the right to request a hearing from the Chula Vista Mobilehome Rent Review Commission for enforcement of Chapter 9.50. For the purposes of this paragraph "cumulative annual increase" means the total rent increase for the space within the past year. For example, if the annual permissive rent increase is four percent, but the rent was increased less than four percent, the park owner may require an additional rent increase up to the total four percent without becoming subject to the right to appeal provisions of the Mobilehome Park Space Rent Review Ordinance. This hearing must be requested within 30 days of receiving such written statement by submitting a Request for Hearing Form the City of Chula Vista ~~Community Development Department~~, the address of which is listed below.

A copy of the Mobilehome Rent Review Ordinance is available at the City of Chula Vista, ~~Community Development Department~~ Attn: Mobilehomes, 276 Fourth Avenue, Chula Vista, CA 91910 or one can be obtained from park management.

Acknowledgment:

Signature _____ Date: _____

Name _____

9.50.087 Implementation Guidelines.

After a noticed public hearing, as it deems necessary, the Commission may adopt guidelines or regulations to aid in the implementation of this Chapter and to assure a fair hearing process.

9.50.090 Mobilehome Resident's Right of Refusal.

A mobilehome resident may refuse to pay any increase in rent which is in violation of this Chapter. Such refusal to pay shall be a defense in any action brought to recover possession of a mobilehome space or to collect a rent increase.

9.50.092 Retaliatory Eviction.

In any action brought to recover possession of a mobilehome or mobilehome space, the court shall consider as grounds for denial any violation of any provision of this Chapter. Further, the determination that the action was brought in retaliation for the exercise of any rights conferred by this Chapter shall be grounds for denial.

9.50.100 Civil and Administrative Remedies.

- A. Civil Action. Any person who demands, accepts, receives or retains any payment of rent in excess of the maximum rent allowable by this chapter shall be liable in a civil action, including unlawful detainer, to the person upon whom the demand was made or from whom the rent was accepted in an amount of up to triple the amount of such improperly collected rent, and for such reasonable attorney's fees and costs as may be determined by the court.
- B. Administrative Action. In the event any owner is determined, after a duly noticed hearing by the Mobilehome Rent Review Commission, to have willfully and improperly collected rents or other fees or charges, the commission may, on the basis of evidence received at such hearing supporting a determination that such rents, fees or charges were willfully and improperly collected, require a reduction in rent or a reimbursement of such improperly collected rents, fees, or charges, in an amount of up to triple the amount of such improperly collected rents, fees or charges.

(Ord 2551 §1 (part), 1993; Ord 2737 §1 (part), 1998).

9.50.102 Criminal Remedies.

Any person committing a violation of this chapter shall be guilty of a misdemeanor. Any person convicted of a misdemeanor under the provisions of this chapter shall be punished by a fine of not more than a \$1,000 or by imprisonment in the county jail for a period of six (6) months in jail or by both such fine or imprisonment. The following nonexclusive acts, without limitation due to enumeration, shall constitute a criminal violation of this Chapter, including the owner of a park if done by an owner's agent with the knowledge or consent of the owner:

- A. Knowingly demanding, accepting or retaining any rent in excess of the amount fixed by this Chapter, including the demanding of rent waived under the provisions of Subsection E of Section 9.50.075, except that demands for annual increases in rent and negotiations for rent permitted under this Chapter shall not be deemed illegal.
- B. Knowingly commencing, or threatening to commence, or maintaining an eviction or unlawful detainer proceeding against a resident for the failure to pay a rent in excess of the amount fixed pursuant to this Chapter.

(Ord 2551 §1 (part), 1993).

9.50.115 Severability.

If any section, subsection, sentence, clause, phrase or portion of this chapter is for any reason held invalid or unconstitutional, such portion shall be deemed a separate and independent provision and such decision shall not affect the validity of the remainder. (Ord 2551 §1 (part), 1993; Ord 2163 §11, 1986; Ord 1997 §1 (part), 1982).

SECTION II: This ordinance shall take effect and be in full force on the thirtieth day from and after its adoption.

SECTION III: The City Clerk is directed to publish this ordinance in accordance with the City Charter and applicable state law.

Presented by

Approved as to form by

Gary Halbert
Assistant City Manager/
Director of Development Services

Glen Googins
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this ____ day of June, 2011, by the following vote:

AYES: Councilmembers:

NAYS: Councilmembers:

ABSENT: Councilmembers:

Cheryl Cox, Mayor

ATTEST:

Donna Norris, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Donna Norris, City Clerk of Chula Vista, California, do hereby certify that the foregoing Ordinance No. _____ had its first reading at a regular meeting held on the ____ day of July, 2011 and its second reading and adoption at a regular meeting of said City Council held on the ____ day of July, 2011.

Executed this ____ day of July, 2011.

Donna Norris, City Clerk

APPENDIX ONE

**NOTICE - RENT INCREASE IN EXCESS
OF THE ANNUAL PERMISSIVE RENT INCREASE**

IF YOU DO NOT TAKE ACTION TO REQUEST A HEARING BY THE MOBILEHOME RENT REVIEW COMMISSION WITHIN THIRTY DAYS, THIS INCREASE SHALL BE AUTOMATICALLY EFFECTIVE ON (DATE) [Not sooner than ninety days after date of notice.], EXCEPT AS PROVIDED IN SECTION 9.50.079 ET SEQ AND SUBJECT TO THE NOTICING REQUIREMENTS CONTAINED THEREIN

This is a notice of a rent increase which exceeds the annual permissive rent increase as set forth in Section 9.50.050 of the City of Chula Vista's Municipal Code. An annual rent increase of the percentage increase of the Consumer Price Index (CPI) for the most recent twelve (12) month period, as reported by the Bureau of Labor Statistics, preceding this notice, when the CPI is three percent (3%) or less, and 75 percent of that change in the CPI above three percent (3%) is allowed without a right to a hearing of the Commission. The CPI is ____% and the annual permissive rent increase is ____%. This increase is ____% of your current rent.

Additionally, this is your notice that Chapter 9.50 of the City of Chula Vista Municipal Code specifies that rents in excess of the annual permissive rent increase as set forth in Section 9.50.050 cannot be automatically increased for any park when there exists serious violations of applicable codes, as specifically listed in Appendix Two to Chapter 9.50.

Under the city's Municipal Code, you are entitled to the following rights:

1. **Voluntary Informal Meeting.** I am required to hold a meeting with the residents to discuss the general reasons for the increase. The meeting will be at _____ [state time (must be within ten days) and place (should be at mobilehome park)]. Under the City's ordinance, owners and residents are encouraged to attempt to resolve differences and reach a voluntary agreement regarding this increase.

2. **Right to a Hearing.** You have the right to file for a hearing and determination by the Mobilehome Rent Review Commission by delivering a form as described in Section 9.50.066. You may file for such hearing only if you or your representative attends the meeting to discuss the increase. To file for such hearing you must deliver the request for Hearing form to the ~~City's Community Development Department~~ City within thirty days of the date this notice is served on you.

If you are unable to attend the meeting as scheduled, you may elect to send a representative. Please submit in writing to the park owner and the ~~Community Development Department~~ City notification that you have elected to be represented at such meeting by another party and stating the name of your representative.

3. **Failure to Attend Informal Meeting.** If a resident does not attend this meeting or is not represented by someone, he or she shall have no right to a hearing but may rely on other residents of the mobilehome park to cause a public hearing to be scheduled. In the event a request for hearing is initiated, the action will include the rent increase issues with regard to all the affected residents.

4. **Review of Serious Code Violations.** In order to establish a minimal level of health and safety standards which must exist in all mobilehome parks prior to any rent increase in excess of the annual permissive rent increase, the City will conduct an inspection of this mobilehome park in compliance with the requirements of Section 9.50.079 and based upon Appendix Two. A list of the specific code violations which apply may be obtained from the ~~office of the Community Development Department~~City during normal business hours, and is required to be posted in a common area of each park's premises at all times.

The City will provide notice of its determination as to whether or not a serious violation or violations exist at the mobilehome park and whether it or they do adversely affect the health, safety, and general welfare of residents to any homeowners association at the park, which is registered with the ~~Community Development Department~~City, and to the park owner. It is the City's intent to attempt to resolve serious code violations during the 90--day period required by State law prior to the effective date of any rent increase. Sections 9.50.080 does not limit or preclude the City from proceeding in accordance with all applicable laws against a park owner if it is found that a violation of code exists at the park.

The following space numbers are subject to this increase: [insert numbers of affected spaces].

If you have questions, or need more information regarding the hearing process or serious code violations, you can call the City at (619) 585-5722.

Park Owner/Manager

Date

**~~NOTICE—ANNUAL CUMULATIVE RENT INCREASE
IN EXCESS OF THE ANNUAL PERMISSIVE
UPON CHANGE OF OWNERSHIP~~**

~~IF YOU DO NOT TAKE ACTION TO REQUEST A HEARING BY THE MOBILEHOME
RENT REVIEW COMMISSION WITHIN THIRTY DAYS, THIS INCREASE SHALL BE
AUTOMATICALLY EFFECTIVE UPON THE SALE OF YOUR MOBILEHOME AND
SUBJECT TO THE NOTICING REQUIREMENTS CONTAINED THEREIN~~

~~This is a notice of a rent increase which exceeds the annual permissive rent increase as set forth in Section 9.50.050 of the City of Chula Vista's Municipal Code. An annual rent increase of the percentage increase of the Consumer Price Index (CPI) for the most recent twelve (12) month period, as reported by the Bureau of Labor Statistics, preceding this notice, when the CPI is three percent (3%) or less, and 75 percent of that change in the CPI above three percent (3%) is allowed without a right to a hearing of the Commission. The CPI is ____% and the annual permissive rent increase is ____%. This increase reflects a cumulative increase for the space of ____%.~~

~~Under the City's Municipal Code, you are entitled to the following rights:~~

~~**Voluntary Meeting.** I am required to hold a meeting with you to discuss the general reasons for the increase. The meeting will be at _____ [state time (must be within ten days) and place (should be at mobilehome park)]. Under the City's ordinance, owners and residents are encouraged to attempt to resolve differences and reach a voluntary agreement regarding this increase.~~

~~**Right to a Hearing.** You have the right to file for a hearing and determination by the Mobilehome Rent Review Commission by delivering a form as described in Section 9.50.066. The current mobilehome owner has the first right to a hearing on the rental increase, and in the event he or she fails to pursue such hearing to completion, the new or prospective mobilehome owner is entitled to file for such a hearing with the City's Community Development Department.~~

~~You may file for such hearing only if you or your representative attend the meeting to discuss the increase. To file for such hearing you must deliver the request for Hearing form to the City's Community Development Department within thirty days of the date this notice is served on you. If you do not file such request, you forfeit your right to a hearing on the rent increase.~~

~~If you are unable to attend the meeting as scheduled, you may elect to send a representative.~~

~~Please submit in writing to the park owner and the Community Development Department notification that you have elected to be represented at such meeting by another party and stating the name of your representative.~~

~~If applicable:~~

~~The current resident/seller ☐ has ☐ has not completed the hearing process.~~

~~If you have questions or need more information regarding Chapter 9.50 of the City's Municipal Code, Mobilehome Park Space Rent Review Ordinance or the review process, you can call the Community Development Department of the City at (619) 585-5722.~~

~~Acknowledgment:~~

Signature: _____ Date: _____
_____ Name _____

REQUEST FOR HEARING

**Rent Increase In Excess
Of The Annual Permissive Rent Increase**

The undersigned hereby requests a hearing before the Mobilehome Rent Review Commission with regard to a proposed rent increase described in the attached notice - Rent Increase in excess of the annual permissive rent increase relating to the _____ Mobilehome Park. [Note: make certain you attach a copy of the notice of Rent Increase you received from the park owner.]

The undersigned is a resident of the park and has attended a meeting with the park owner , or sent a representative on his behalf, as required in Section 9.50.064 of the Chula Vista Municipal Code. The dispute has not been settled.

It is understood that this request is irrevocable and that it may be relied on by other residents of the mobilehome park to cause a public hearing to be scheduled, and that the Mobilehome Rent Review Commission will schedule a public hearing to consider the proposed rent increase, taking into consideration the factors described in Chula Vista Municipal Code Section 9.50.073, and that the decision of the Mobilehome Rent Review Commission shall be applicable to all affected homeowners and shall be final and binding.

Signed _____

Print Name _____

Address _____

Telephone No. _____

Date _____

[The completed form must be delivered to the City of Chula Vista, ~~Community Development~~
Department, Attn: ~~Housing Manager~~ Mobilehomes, 276 Fourth Avenue, Chula Vista CA 91910]

APPENDIX TWO

**MOBILEHOME PARK
CODE VIOLATIONS WHICH MAY CREATE SERIOUS
HEALTH, SAFETY, AND WELFARE PROBLEMS**

INDIVIDUAL SPACES – Exterior only

- A. All lots shall be numbered in a conspicuous location facing the interior roadway. [Section 1104(a)]
- B. Power sources and plumbing adequately supplied, supported, and protected. [Sections 1170, 1182, and 1280]
- C. No illegal discharge of liquid or solid wastes (CVMC 19.66.150)

THE FOLLOWING APPLY TO PARK GROUNDS – NOT INDIVIDUAL SPACES

PARK IN GENERAL – not individual spaces/lots

PARK GROUNDS

- A. Clearly identify park address at street [CVMC Section 12.48.030]
- B. Emergency information posted in conspicuous place. [Section 1686]
- C. Unobstructed roadway shall be a 25 feet minimum (15 feet minimum if park constructed prior to 9-15-61. If parking is allowed on one side of roadway, minimum clearance is 32 feet, and if parking is permitted on both sides of roadway, a minimum clearance of 40 feet is required. If there is some type of curb divider, each side must be a minimum of 15 feet. [Section 1106]
- D. Maintain proper grading and drainage (Accumulation of water) [Section 1610(a)]
- E. Adequate refuse/rubbish disposal. [Section 1610 (d)]
- F. No illegal discharge of liquid or solid wastes (CVMC 19.66.150)

PERMANENT BUILDING STRUCTURES

- G. Any new structures or work to have required permits [Section 1018(a)]
- H. Maintenance sufficient to assure minimum life and safety standards [Section 1636]
- I. Water heater properly installed and vented [Uniform Plumbing Code Sections 508.0, 512.1, and 608]
- J. Required lighting in public toilets, showers, and laundry facilities [Section 1612]
- K. Conformance with the California Fire Code (CFC):
 - 1. Exit Doors (CFC 2501.8)
 - 2. Aisles (CFC 2501.9)
 - 3. Seating (CFC 2501.10)
 - 4. Exit ways must be free of obstructions. [CFC 2501.11]
 - 5. Fire extinguishers shall be maintained in good repair. [CFVC 2501.13]
 - 6. Exits shall be identified and lighted [CFC 2501.15, 1211 and 1212]
 - 7. Room capacity shall be posted [CFC 2501.16.1]

UTILITIES

- L. All electrical equipment outside permanent buildings shall comply with requirements of the California Electrical Code (CEC). [Section 1134(a) and 1384]

- M. All overhead electrical supply and conductors and supporting structures shall comply with requirements of the California Public Utilities Commission Rules for Overhead Electrical Line Construction. [Section 1134.(b) & (c)]
- N. Connections adequately protected if subject to potential damage by vehicles, etc. [Sections 1228(a) and 1280]
- O. All electrical switches, circuit breakers, receptacles, lighting fixtures, control equipment, and metering devices located in wet places or outside of a building shall be rain-tight type equipment. [Section 1170(a)]
- P. Sufficient space around electrical equipment to permit ready and safe operation. [Section 1646(a)(b)]

Unless otherwise noted, all Section references are found in Title 25 of the California Code of Regulations.

The Department of Planning and Building shall provide a copy of all referenced code sections to all park owners and/or their agents. Copies of these referenced code sections shall be maintained at all times at the on-site Manager's office and may be viewed during normal business hours by any and all residents.

The Loftin Firm LLP



Attorneys at Law

Via FedEx Overnight

May 10, 2011

City Attorney Glen Googins
City Manager Jim Sandoval
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

RE: Rent Control Ordinance; Vacancy Decontrol; City Administration Cost

Dear Sirs:

This Firm represents the Chula Vista Mobilehome Park Owners Association ("CVMHPOA") with regard, in part, to the issues related to the City of Chula Vista Rent Control Ordinance.

With both the Chula Vista Mobilehome Rent Control Review Commission and City of Chula Vista's (the "City") staff currently considering changes to the City's rent control ordinance and alternative ways to fund its rent control bureaucracy, the Chula Vista Mobilehome Park Owners Association (CVMHPOA) appreciates the opportunity to clarify its positions and to convey its requests on these matters.

Permanent Vacancy Decontrol

CVMHPOA has consistently and historically held that mobile home park rent control should end immediately in Chula Vista. This remains our Client's position.

The current rent control ordinance has a partial vacancy decontrol provision included in the ordinance (*See, Chula Vista Ord. # 9.50.77*). However, these provisions are very cumbersome and expensive provision for all parties involved: the City, the selling resident, the prospective resident and the Park Owner. This section of the City's Rent Control Ordinance is a "partial vacancy decontrol" provision because the mechanism allows the Park Owner to request an increase in the rent when the mobilehome or manufactured home is sold, subject to the right to object by both the selling tenant and prospective buyer and a hearing, but after the new base rent is established, then the space again becomes subject to the City's Rent Control Ordinance.

This limited and cumbersome process has not provided the Park Owners with a fair rate of return and has resulted in significant depreciation in value and inability to maintain amenities due to a lack of fair market

City Attorney Glen Googins
 City Manager Jim Sandoval
 May 10, 2011
 Page 2 of 3

rents. (*Penn Central Transportation Co. v. City of New York* ("Penn Central") (1978) 438 U.S. 104, 124; *See, also, Nollan v. California Coastal commission* (1987) 483 U.S. 825, 834 n.3)¹)

CVMHPOA recognizes the City's desire to protect the tenants who currently have a tenancy and reside in the mobilehome parks. The goal of CVMHPOA in making the recommendations below is to create long term stability for both mobilehome park residents and park owners, which stability will alleviate costly litigation and administration that has marked Chula Vista's failed mobilehome rent control policy. As a compromise position, CVMHPOA will consider permanent vacancy decontrol **provided** such reforms can be enacted within the next sixty (60) days.

Permanent Vacancy decontrol means that upon sale or transfer of the mobilehome or manufactured home, the purchaser would be charged the fair market rent at that time. After the sale to the purchaser, the space on which the sold mobilehome is located would not be subject to the rent control ordinance from that point forward. This compromise position is fair to everyone involved in that (1) the Selling tenant is not subject to a hearing before the rent control board for asking a price which the prospective buyer believes is too high, (2) the prospective purchaser has clarity as to the rent, and the future rent, (3) the City is relieved of at least two (2) if not three (3) hearings before the Rent Control Board, and (4) the Park Owner will have the ability to insure a reasonable rate of return and sufficient funds to continue operation in the future.

Our client's willingness to consider permanent vacancy decontrol is a gesture designed to demonstrate their goodwill and their willingness to allow the City to "phase out" these archaic ordinances without changing the benefits and protections to which current tenants and residents have grown accustomed.

Many jurisdictions locally, such as the City of Oceanside, and statewide have concluded that permanent vacancy decontrol is an appropriate compromise that balances the interests of all parties, while allowing cities a process to get out from under the financial, legal and regulatory burdens resulting from rent control policies.

Rent Control Administration Costs

Chula Vista's rent control commission has consistently demonstrated a bias against park owners and their interests. For this and other reasons the park owners will not participate in the funding, collection or administration of a fee/tax and financing scheme to maintain rent control in Chula Vista. Unless the fee/tax to support Rent Control is voluntary, then the imposition of this fee/tax will require the vote of the residents of the City to approve, and then to implement the fee/tax. These costs must rightly be born by park residents who benefit from the system. The Mobilehome Residency Law specifically acknowledges that these fees are the responsibility of the residents who benefit from Rent Control. We encourage the City to continue to work directly with residents on this matter (we have been informed the City staff has commenced this process.)

The goal of these positions is to offer a reasonable alternative to lengthy and expensive litigation to resolve the issues related to rental rates and funding for rent control. As stated at the beginning of this correspondence, our Clients firmly do not support rent control and the effects it has had on the Parks in

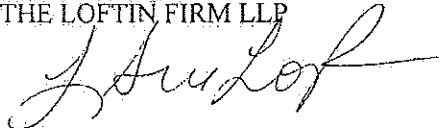
¹ *See, Hall v. City of Santa Barbara* (9th Cir. 1986) 797 F.2d; *Cashman v. City of Cotati* (9th Cir. 2004); *Guggenheim v. City of Goleta* (9th Cir. 2009) 582 F.3d 996, rehearing en banc granted, vacated by *Guggenheim v. City of Goleta* (9th Cir., Dec. 22, 2010) 2010 U.S. app. LEXIS 2591.

City Attorney Glen Googins
City Manager Jim Sandoval
May 10, 2011
Page 2 of 3

the City; but are willing to compromise that position to assist with an orderly transition for all parties concerned. We look forward to meeting with you and continuing the positive discussions on these matters.

Sincerely,

THE LOFTIN FIRM LLP

A handwritten signature in cursive script, appearing to read "Sue Loftin", written over the printed name.

By: Sue Loftin, Esq.

Cc: Mayor Cheryl Cox
Rudy Ramirez (Councilmember)
Patricia Aguilar (Councilmember)
Pamela Bensoussan (Councilmember)
Steve Castaneda (Councilmember)

Petition Against Removing All Rent Controls

TO Rent Control Commission

Re;
Rental Review Commission hearing April, 14 2011.

Please be advised that after discussions with other tenants in Terry's Mobile Home Park as well as residents in other mobile home parks in Chula Vista, the consensus was that removing rent controls and rent caps is Unacceptable!

Most of the residents are on a fixed income! With rents, food costs, utilities, gas, insurance costs, (just to name a few,) constantly going up, it is a struggle "just keeping your head above water!" Medical costs are going up! No social security increases for two years! When you lose a mate, you only get one S.S. check not two but your expenses stay the same. It is critical that the well being of these residents be ever so carefully considered !

With over 7,300 people living in mobile home parks, it is critical for the residents to be protected! There are also, many handicapped people using canes and walkers in the parks.

The greed factor in the park owners zeal for more money is based on "baloney!"

As was brought out at the meeting, a 200 residents park multiplied at an average \$500.00 per month is a staggering sum amounting to one million , two hundred fifty thousand dollars per year. With some park owners owning 3, 4, or more parks! The greed factor is undeniable!

The rent caps also cannot be abolished! "It just gives park owners a license to steal!"

A potential buyer will back out of a transaction, if the rent is "jacked up" and the sale is lost! The park owner still collects the rent! This also increases the "homeless" population in Chula Vista! Park tenants must be protected!

We, the undersigned agree with this petition.

*H. Steve M. Lopez, *111*

*Bonnie Wright-Crockett, *192*

D... .. & Cardona #112

Name

Space #

Name

Space#

Alberto Jorgiza 114
 Lorraine Wadell 115
 Tom Mauer 117
 Mary M. Pierco 118
 Judith Mortensen 90
 Ralph Meile 102
 Juan D. Ugu 109
 Edith B. Fewham 106
 Manned Martez #105
 Irene D. Amick #104
 Gladys Pearson #113
 Jerry A. Kamey #80
 Doug Virgil #76
 Jean Vollen #75
 Patricia Hall #74
 F. A. E. #73
 ← Mrs #71
 Lupe de Koyos #70
 Ann Caskinette #69
 Richard Caskinette #69
 James Victor #128

Walth P. Breach #68
 Mabel Skott #67
 E. Hedrick #56
 Beatrice Hedrick #57
 Marcelle Urbina #57
 Maria Guadalupe #61
 Ismael Banguela #61
 Robert W. Connolly 17
 T. Orla Shaffer #173
 Len M. Maxwell 17
 Bennevigilda Alfaro #1
 W. Francisco #179
 Michael P. Crabbe #10
 Art Sarrat 13
 Carmel C. Coomer
 Jack R. Guerra 1
 Josie Valley 1
 Damiana Silva 1
 Lurita L. Clark
 Josie
 Kelly #1
 Betty Jones #1

Name	Space#	Name	Item #2 - EXHIBIT # Space #
Nebraska Boyd	176	R Bergeron	8
Bob you Soltkott	153	Brian D. Hoff	22
Bar E. Chubb	152	Jim Hoff	21
John F. Harris	168	Febre 10th	6 1/2
Rue-Mare Mangrove	151	Wesley Beers	20
Belle Schlegel	144	Harry Lonsdale	3
Martha Pelt	145	Linda Lonsdale	3
()	139	Gloria Brown	16
Luando Mernergun	140	Frankie Parnes	2
Mary Snipes	124	Joe Cuy Picuade	15
Alvin Magallan	133	James Smith	41
Joe A. Honyaley	137	Edith & Alfred Seeger	28
Carol V. Jones	135	Lolanda P. Pluman	29
Billy G. Nelly	134	Ed P. Kelly	42
John M. Wright	132	Edith P. Kelly	34
Luando Parnes	130	Walter Parnes	47
Luando Parnes	12	Luando Parnes 9/1/90	48
Joan Parnes	130	Greene Blank	49
Doris Norman	127	Carolyn Passeneau	36
Don Smith	27	Yoko Ahrens	14
White Beggles	26	John Parnes OLDEST SON OF JULIA L. DIBBLE	19
Yang C. Walker	11	Henry L. Campbell	1
Lorraine Baumgardner	10	R. L. L. L.	4
Linda Hancock	24	John Parnes	23

BRANTON CONN P. 11X

Name	Space#	Name	Item #2- EXHIBIT#
Angie Connolly	174	Marcelle B. B. B.	33.
Carol S. Morris	39	Steve Brandt	76
Kimmi Morn	39		50
Blanche Langlois	52		50
Robert E. E. E.	32	Adelina Muri	13
Rupiah Hayes	70	Valerie	38
	59	Kathleen Larson	120
Edward A. Daniels	73	Mr. Wath	120
Mr. J. MACIA	60	JOHN DON	22
Smitha Smith	120	Chas. Stapp	123
Elly Arila	129	Bruce Wood	87
John + Dorothy Gerson	12	Lucas	87
Ernestine Melendez	148	Alexander Legaspi	99
William A. A.	126	Alejandra Ortiz	98
Edwards Simon	146	Joseph R. M. M.	CABRILLO SPC. DT
Del Perea	188	McDonnell	Kencho Borja
Robert Curry	185	Eugene Reed	127
Dawn B. Morris	161	Maria Sumbar	51
Wassim Sawa		Francisco J. J.	159
John E. E.	166	Julitta Mueh	160
John M. M.	169	Arthur Jimenez	#54
Robert W. W.	113	GABRIEL SANCHEZ ALDANA	65
Joseph M. M.	25	Ernie Sacks	H 62
John L. Dilla	19	Lina J. Villa	136

Name	Space#	Name	Item #2 - EXHIBIT 4 Space#
CRISTOBAL SOTO	122	<i>[Signature]</i>	3
Jessie Wabber	10	<i>[Signature]</i>	#22
Carmen Asleman	123	" <i>[Signature]</i> "	#69
Anne Marsd	100		
Don Red	50	Lynwood Smith	
Wm S. Connolly	#50	STONOR MOR	#71
AL Mason	58	Yuba Rivers	#184
Subash Samunda	10		
<i>[Signature]</i>	9		
Celia Julian	9		
Espen Basson	14		
Jahangir Romero	14		
Nathanal Romero	14		
RON BENSKIN	89	<i>[Signature]</i>	
Ram Benskin	89	Rani Benskin	
Marianne Hunter	88		
Serge Lovell	88		
Raymond Edwards	86		
Orlean			
Christian Velasco	12	Vanessa Liles	
Velvet E. Gonzalez	19	Velvet Gonzalez	
Bella L. Diaz	#7		
<i>[Signature]</i>	21		
<i>[Signature]</i>	3		

RANCHO
BATON
600
ANTIA

TO: RENT CONTROL COMMISSION / CHULA VISTA**PETITION AGAINST REMOVING ALL RENT CONTROLS**

Please be advised that tenants of Palace Gardens Mobilehome Park at 1425 Second Ave find that removing rent controls and rent caps is UNACCEPTABLE. We, the undersigned agree with this petition.

Name	Spc #	Name	Spc #
ROBBIE ABARA	235	ARLENE MILDENBERGER	50
PHILIP SMITH	392	Deletha M. Warden	302
199 FRANCES V. MELANDER			
Darlene Fisher	192	Ramiro M. M. M.	
Kathlyn Young	#80	JESSE GONZALEZ	
Joseph Fontenot	#147	TRINIDAD LOZA	170
Winona Fontenot	147	J. GUADALUPE LOZA	170
Bill Ward	#50	ROBERT WILSON	194
SANTOS DELEON	181+D	Linda Jones	307
Rosalinda Ricci	335	Patricia Bennett	3069
Carmine Jimenez		Margaret Dillon	121
Gilberto Jimenez	334	Patricia Calderon	#106

TO: RENT CONTROL COMMISSION / CHULA VISTA**PETITION AGAINST REMOVING ALL RENT CONTROLS**

Please be advised that tenants of Palace Gardens Mobilehome Park at 1425 Second Ave find that removing rent controls and rent caps is UNACCEPTABLE. We, the undersigned agree with this petition.

Name	Spc #	Name	Spc #
Lucinda Bell	115	Miguel Espinoza	SP. 134
Emma Amador	113	Ron Lina	SP. 133
Alfredo Umal	109	Philly A. Navarez	SP #135
NATIVIDAD NATSKE	109	Carlos Chavez	316
Marisol Vazquez	122	Key W. Terrell	SP. 61
Eveline Arsenault	#120	Hortencia Marroquin	
Volou Barron	#116	Betty G. Mary	#146
Maxwell Olson	#75	Rosa M. Davis	SP 10
Elara Gonzalez	112	HERMAN BRANCH	#57
Ingtha C. Gonzalez	114	Francisco Carras	143
Elizabeth Hernandez	72	Wiley T. Brown	56
Concetta Johnson	#117	Martina Bellos	#14

TO: RENT CONTROL COMMISSION / CHULA VISTA**PETITION AGAINST REMOVING ALL RENT CONTROLS**

Please be advised that tenants of Palace Gardens Mobilehome Park at 1425 Second Ave find that removing rent controls and rent caps is UNACCEPTABLE. We, the undersigned agree with this petition.

Name	Spc #	Name	Spc #
Ernesto Bellaso #144		Maria Mendez	SPC# 93
Joseph Fontana #147		Jesus D. Vera	SP 96
Alonso L. Fontana #147		Antonio R. Perez	SP 97
Camilo Garcia #54		Charles R. Klein	SP-97
Rosario #46		Hortencia L. Pena	SP 24
Luis Castaneda #46		Joe Tan Jr.	SPC. 14
Katherine Phillips #87		Suzanne Jones	#186
Alexander Blake #82		Rycho Hunter	185
Marlene J. Jimenez #102		Concepcion	170
Joan Schellinger #90		Edward H. Billett	#24
Flora Ballou #91		Martha J. Billett	at
Helen Davis #23		Paula L.	21

TO: RENT CONTROL COMMISSION / CHULA VISTA**PETITION AGAINST REMOVING ALL RENT CONTROLS**

Please be advised that tenants of Palace Gardens Mobilehome Park at 1425 Second Ave find that removing rent controls and rent caps is UNACCEPTABLE. We, the undersigned agree with this petition.

Name	Spc #	Name	Spc #
<u>Emilio Ruiz</u>	<u>#202</u>	<u>Francisco Ayala</u>	<u>5</u>
<u>Manuel Pinales</u>	<u>197</u>	<u>Jesus Rimer</u>	<u>M-242</u>
<u>Joseph Fide</u>	<u>#201</u>	<u>Enrique Sorey</u>	<u>#203</u>
<u>Don Hurtado</u>	<u>203</u>	<u>Christopher R. Garcia</u>	<u>204</u>
<u>Worthy A. Zigler</u>	<u>#15</u>	<u>Bernadine R. Brown</u>	<u>#169</u>
<u>Melvin Shum</u>	<u>#14</u>	<u>MARIA LOZANO</u>	<u>#16</u>
<u>Julie Riddle</u>	<u>#11</u>	<u>Gabina Quintana</u>	<u>#16</u>
<u>Theresa Rios</u>	<u>#224</u>	<u>Elias G. Rivas</u>	<u>Sp. 214</u>
<u>John M. M. de la Cruz</u>	<u>#223</u>	<u>Christopher D. Estrada</u>	<u>Sp. 215</u>
<u>Karl Yanez</u>	<u>#226</u>	<u>Jane Coyote</u>	<u>#25</u>
<u>Paul Flores</u>	<u>#9</u>	<u>Guillermo A. Rios</u>	<u>#26</u>
<u>Ramonar Batista</u>	<u>#227</u>		
		<u>Gary + Regina Rucker</u>	<u>#36</u>

TO: RENT CONTROL COMMISSION / CHULA VISTA**PETITION AGAINST REMOVING ALL RENT CONTROLS**

Please be advised that tenants of Palace Gardens Mobilehome Park at 1425 Second Ave find that removing rent controls and rent caps is UNACCEPTABLE. We, the undersigned agree with this petition.

Name	Spc #	Name	Spc #
Ann Korm	138		
Jermaine Johnson	172		
David K. Davis	173	173	
Gaylia Wilcox	49		
Gerald L. Hunt	171		
Maria Daley	4		
Glenn Stern - Farmer	194		
Beatrice Wisniewski	3		
Linda S. Bugnion	#196		
Sandy Rugh	H 71		
Kay W. Tesich	61		

Please be advised that tenants of Palace Gardens Mobilehome Park at 1425 Second Ave find that removing rent controls and rent caps is UNACCEPTABLE. We, the undersigned agree with this petition.

Spc #

Engel Day #202

Frances Anglen	5
	41

Manuel Pinales 197

Series Kinnel-242

Long File # 201

Ernie Gomer # 203

Don Hawthorne

3. Christopher Jones (a)

Worthy A. Ziegler #15

Babodene R Broom 169

Milen Shume #14

MARIA LOZANO #16

Julie Kiddle #11

Mabina Quintero #16

~~John P. ...~~ #224

Eliot G. Ringer Sr- 314

John Williams

Marshall (D. S. 7/5)

Paul Weiss #776

Jane Carver #25

Part 1 #9

1220

1. James R. T.

601/EBroad Road #26
H₃₂₅

National Parks

22

Gary + Regina Rucker #36

RANCHO BONITA

Name	Space#	Name	Item #2 - EXHIBIT	Space#
CRISTOBAL SOTO	122	<i>[Signature]</i>		3
Jessie Walker	10	<i>[Signature]</i>	#22	
Carmen Asleman	123	" "	#69	
Anne Marsh	100			
Don Deal	50	Lynwood Smith		
Wm S. Connolly	#50	Stevan Mor	#71	
A. E. Mason	58	Yuba Rivers	#184	
Arbuthnot Samuels	10			
<i>[Signature]</i>	9			
Celia Julian	9			
Edna Benson	14			
Jamaica Benson	14			
Nathanal Romeo	14			
RON BENSKIN	89	<i>[Signature]</i>		
Ram Benskin	89	Rani Benskin		
Marianne Hunter	88			
George Lovell	88			
Raymond Edwards	88			
Arbuthnot				
Christian Velasco	12	Vanessa Liles		
Velvet E. Gonzalez	19	Velvet Gonzalez		
Bella L. Diaz	#7			
<i>[Signature]</i>	21			
<i>[Signature]</i>	3			

RANCHO
BATON
600
ANTIA

SUPPURI AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

Bruce Kelang
St. 71

Chula Vista, CA
Resident

Date 5-21-11

SUPPURI AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

Arthur Baxter

Chula Vista, CA
Resident

Date 5-21-11

SUPPORT AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

James F. Ramsey

Chula Vista, CA
Resident

Date 5-21-11

SUPPORT AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

John

Chula Vista, CA
Resident

Date 5/21/11

SUPPORT AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

Chula Vista, CA
Resident

5-21-11
Date Teresa Garcia
Sp. 44

SUPPORT AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

Chula Vista, CA
Resident

5-21-11
Date JANE GARCIA
Sp. 32

SUPPORT AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

Chula Vista, CA
Resident

Date _____

SUPPORT AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

Chula Vista, CA
Resident

Date _____

SUPPURI AB 579

I urge your support for AB 579, to help protect our Cities from frivolous law suites. This bill will allow them to recoup Legal fees, staff fees and others deemed recoverable by the Courts.

Sincerely,

June 1 Day

Chula Vista, CA
Resident

Date 5-21-11

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May 11 2011

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Alayne C. Peterson

Chula Vista, CA
Resident

Date 5-21-11

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Alayne C. Peterson

Chula Vista, CA
Resident

Date 5-21-11

The City of Chula Vista Development Services Department
A REPORT TO THE
MOBILEHOME RENT REVIEW COMMISSION

Item No. 3

Staff: Stacey Kurz

DATE: May 26, 2011

SUBJECT: **INFORMATION ITEM** - AMENDMENTS TO CHULA VISTA MUNICIPAL CODE 9.40, MOBILEHOME HOUSING ASSISTANCE

I. RECOMMENDATION

No action is required.

II. INTRODUCTION

In October 2006, the City Council approved the establishment of a Mobilehome Overlay District in the General Plan. At that time, it was acknowledged that the City's Mobilehome and Trailer Park Conversion Ordinance (Chula Vista Municipal Code (CVMC) Sections 9.40 and 9.60), was in need of updating. The current ordinance language was adopted nearly 30 years ago and is vague. It does not provide certainty to either park owners or residents, and increases the City's legal liability in future park closures. City staff completed research and extensive public outreach in 2007 and 2010 on draft amendments to the City's Mobilehome Closure Ordinance.

Proposed Amendments

Based on those previous outreach efforts staff is currently drafting amendments to CVMC 9.40, which are summarized below, providing the topic area to be updated, issue and staff recommendation. These amendments will be presented to City Council for consideration as part of a comprehensive mobilehome update package in July.

Financial Assistance – Mobilehome Relocation

CVMC 9.40: Identifies relocation assistance for low- and moderate-income mobilehome or trailer owner/occupants in the form of payment by the park owner of 75 percent, up to a maximum of \$3,000, of the cost of relocating the mobilehome or trailer to another mobilehome or trailer park within 100 miles.

Issue: Cost to relocate mobilehomes often exceeds this amount and only addresses income eligible residents.

Recommendation: All residents shall receive a Lump Sum **Relocation Benefit** equal to the LESSER OF:

The actual costs of physically moving (i.e. dismantling, moving, reassembling, rebuilding, including skirting and tiedowns) the coach and movable improvements (i.e. patios, carports, and porches), to a maximum distance of one hundred (100) miles.

OR

A lump sum based on the following schedule:

STRUCTURE	PAYMENT
Trailers, R.V.'s & Motorhomes – No moving permit required	\$ 2,000
Single Wide – 10', 12', 14' & 16' wide	\$ 5,000
Double Wide – 20', 24', 26', 28' wide	\$11,000
Triple Wide – More than a double wide joined together	\$15,000

In addition, extremely-, very low- and low- income residents shall receive additional compensation in the form of a Lump Sum **Space Rent Subsidy** as follows:

Lump Sum Space Rent Subsidy = 12 x Average monthly space rent for current unit type in SD County– CV monthly maximum affordable rent (for income category)

Financial Assistance – Mobilehome Value

CVMC 9.40: When a coach is unable to be moved, the City's code determines the value of mobilehomes by standard insurance replacement criteria. Issue: The criteria provided in the ordinance has no clear definition of value; both residents and park owners have differing expectations of the application of the ordinance. State law provides latitude for jurisdictions to determine reasonable value. The reasonable value between fair market "on-site" value and the "pull-off" value (coach value excluding value of being on the land) is highly debated by owners and residents.

Recommendation: If a coach/trailer cannot be relocated due to condition or lack of available space, all residents shall receive a Lump Sum **Value Payment** equal to the GREATER OF:

Mobilehome

The *Depreciated Replacement Cost* plus additions for site improvements of coach as determined by a qualified, independent appraiser, approved by the City, based on the following factors: age, size, condition, and fixed

improvements.

OR

A lump sum based on the following schedule:

STRUCTURE	PAYMENT
Single Wide – 10', 12', 14' & 16' wide	\$ 6,500
Double Wide – 20', 24', 26', 28' wide	\$11,500
Triple Wide – More than a double wide joined together	\$15,500

Trailer Value

The *Kelley Bluebook/Yellowbook Value* plus Adjustments for permitted site improvements as determined by a qualified independent appraiser

OR

A lump sum based on the following schedule:

STRUCTURE	PAYMENT
Trailers, R.V.'s & Motorhomes – No moving permit required	\$ 2,500

In addition, extremely-, very low- and low- income residents shall receive additional compensation in the form of a Lump Sum **Rental Subsidy** as follows:

Lump Sum Rental Subsidy = 12 x Average monthly rent for a 1-bedroom (trailer/singlewide) or 2-bedroom (doublewide/triplewide) apartment in CV County – CV monthly maximum affordable rent (for income category)

Financial Assistance – Relocation Assistance to Tenants (Renters)

CVMC 9.40: Requires the applicant to identify relocation assistance for mobilehome owners and does not provide assistance for occupants renting mobilehomes.

Issue: Should renters be provided with some type of assistance?

Recommendation: No benefits shall be provided to any person who is renting a mobilehome from the owner of the mobilehome park where an executed written agreement waives rights to such benefit.

All eligible tenants of eligible mobilehome owners shall be provided with the services of one or more housing experts to assist in relocating to available and appropriate housing, including: financial advice, description of housing

alternatives, and transportation if unable to operate a motor vehicle.

Notification of Intent to Close

CVMC 9.40: Does not currently identify an amount of time that residents must be notified, however state law requires notice of termination of tenancy be provided six (6) to twelve (12) months prior to closure dependant on the permit activity required for a change of use.

Issue: Residents and owners have expressed interest in having a determined amount of time in which notice must be given.

Recommendation: Any resident of the mobilehome park shall be provided with a minimum of one (1) year "Intent to Close" notice and shall not be required to vacate less than six (6) months ("Termination of Tenancy") from the city's approval of a change of use/removal of the overlay zone and Relocation Impact Report ("RIR") approval. Further, residents shall not be required to vacate less than thirty-five (35) days from payment of any relocation benefits.

In addition, Chapter 9.60 Right of First Refusal to Purchase Park was identified as a potential ordinance to update. Chapter 9.60 identifies right of first refusal for any resident organization when a park is listed for sale, pursuant California Civil Code 798.80. During the 2007 outreach efforts, residents expressed a desire to be notified regardless of organization and type of sale. Further research identified a court opinion that determined it was unconstitutional to require that residents be offered first right of refusal in instances other than described in California Civil Code. Therefore only revisions to conform to state law would be allowed.